

Annual Corporate Governance Report

of Listed Companies

2020



ISSUER IDENTIFICATION

YEAR-END DATE: 09-30-2020

Tax Identification No. A01011253

Company Name: SIEMENS GAMESA RENEWABLE ENERGY, S.A.

Registered Office: PARQUE TECNOLÓGICO DE BIZKAIA, EDIFICIO 222, 48170 ZAMUDIO (BIZKAIA)

NOTICE:

i) The present document is a translation of a duly approved document in Spanish- language, and it is only provided for informational purposes. Shall a discrepancy between the present translation and the original document in Spanish- language appear, the text of the original Spanish-language document shall always prevail.

ii) Due to rounding, numbers presented throughout this Annual Corporate Governance Report may not adjust precisely to the numbers or total amounts, or to those provided in other related documents and percentages may not precisely reflect absolute figures.

A. CAPITAL STRUCTURE

A.1. Complete the table below with details of the share capital of the company:

Date of last change	Share capital (Euros)	Number of shares	Number of voting rights
04-03-2017	115,794,374.94	681,143,382	681,143,382

Please state whether there are different classes of shares with different associated rights:

Yes

No

Class	Number of shares	Par value	Number of votes	Associated rights

A.2. Please provide details of the company's significant direct and indirect shareholders at year end, excluding any directors:

Name of shareholder	% of shares carrying voting rights		% of voting rights through financial instruments		% of total voting rights
	Direct	Indirect	Direct	Indirect	
SIEMENS ENERGY AKTIENGESELLSCHAFT	0.00	67.071	0.00	0.00	67.071

Breakdown of the indirect holding

Name of indirect shareholder	Name of direct shareholder	% of shares carrying voting rights	% of voting rights through financial instruments	% of total voting rights
SIEMENS ENERGY AKTIENGESELLSCHAFT	SIEMENS ENERGY GLOBAL GMBH & CO. KG (formerly named Siemens Gas & Power GmbH & Co. KG)	67.071	0.00	67.071

State the most significant shareholder structure changes during the year:

Most significant movements

On January 1, 2020, Siemens Aktiengesellschaft (“Siemens AG” or “SAG”), as communicated to the Spanish Stock Market Commission (“CNMV”) on January 2, 2020, transferred its 30.123% Siemens Gamesa Renewable Energy, S.A. (hereinafter “SIEMENS GAMESA” or the “Company”) direct stake to Siemens Gas and Power GmbH & Co. KG (“Siemens KG”) (fully owned by SAG) and communicated that the management body of Siemens KG, the entity Siemens Gas and Power Management GmbH (“SKG Manco”), which represents Siemens KG and therefore has the discretion to exercise the voting rights of Siemens KG, is fully owned and under the control of SAG.

On January 31, 2020, SAG, as communicated to the CNMV on February 3, 2020, transferred its 28.877% SIEMENS GAMESA indirect stake owned by Siemens Beteiligungen Inland GmbH (“SBI”) (fully owned by SAG) to Kyros 63 GmbH (fully owned by SBI). SAG also communicated that its stake in Siemens KG and SKG Manco was contributed to SBI. After these contributions SAG still remained as indirect owner of 59% of SIEMENS GAMESA share capital.

On February 5, 2020, Iberdrola Participaciones, S.A.U., (fully owned by Iberdrola, S.A.) transferred its 8.071% stake in SIEMENS GAMESA to SAG, as communicated by Iberdrola, S.A. to the CNMV through significant events number 286473 and 286526, and SAG became owner of 67.071% SIEMENS GAMESA stake, holding 59% indirectly and 8.071% directly, as communicated by Siemens AG to the CNMV on February 6, 2020.

On March 31, 2020, as communicated by SAG to the CNMV on April 1, 2020, SAG and Kyros 63 GmbH transferred, respectively, their 8.071% and 28.877% SIEMENS GAMESA direct stake to Siemens KG, becoming therefore Siemens KG the direct owner of the 67.071% stake in SIEMENS GAMESA. The communication also informs of the change of ownership in Siemens KG, formerly wholly owned by SBI, with the result that now SAG owns 87.98% and SBI owns 12.02%.

On September 25, 2020, SAG, as communicated to the CNMV on September 28, 2020, completed an internal reorganization within the group resulting on no longer owning SIEMENS GAMESA’s shares. As communicated by Siemens Energy Aktiengesellschaft (“Siemens Energy AG” or “SEAG”) to the CNMV on September 28, 2020, SEAG indirectly holds 67.071% of the voting rights in SIEMENS GAMESA as follows: (i) SEAG wholly owns and control SKG Manco; (ii) SKG Manco is the sole general partner and management company of Siemens KG; (iii) as general partner, SKG Manco represents Siemens KG and therefore has the discretion to exercise the voting rights owned by Siemens KG; and (iv) Siemens KG owns directly 67.071% of the voting rights in SIEMENS GAMESA.

Siemens KG changed its corporate name to “Siemens Energy Global GmbH & Co. KG” with effects October 15, 2020.

Finally, on November 12, 2020, BlackRock Inc., as communicated to the CNMV on November 13, 2020, crossed the 3% threshold of voting rights attached to shares or through financial instruments in the share capital of SIEMENS GAMESA. Therefore, BlackRock Inc. became a significant shareholder of SIEMENS GAMESA as it was, as of November 12, 2020, the indirect owner of 3.001% of the voting rights of the share capital of SIEMENS GAMESA, divided in two direct stakes one of 2.836% in shares and another stake of 0.165% through financial instruments. As stated in the communication sent to the CNMV, the shares and financial instruments referred in the disclosure correspond to funds, accounts and portfolios managed by investment managers under the control of BlackRock Inc.

A.3. In the following tables, list the members of the Board of Directors (hereinafter “directors”) with voting rights in the company:

Name of director	% of shares carrying voting rights		% of voting rights through financial instruments		% of total voting rights	% voting rights that can be transmitted through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
Total percentage of voting rights held by the Board of Directors						0.000	

Remarks

Mr. Andoni Cendoya Aranzamendi, former director of the Company, was the direct holder of 1,000 shares of SIEMENS GAMESA, representing 0.0001% of the share capital, at the time of his resignation as a director, which took place with effects on February 23, 2020.

Mr. Carlos Rodríguez-Quiroga Menéndez, former director of the Company, was the direct holder of 315 shares of SIEMENS GAMESA, representing 0.0000% of the share capital, at the time of his voluntary ceasing as a director, which took place with effects on February 23, 2020.

Mr. Markus Tacke, former CEO of the Company, was the direct holder of 5,000 shares of SIEMENS GAMESA, representing 0.0007% of the share capital, at the time of his resignation as director, which took place on June 17, 2020.

The shareholders acting at the General Meeting of Shareholders of SIEMENS GAMESA held on March 23, 2018 approved a "Long-Term Incentive Plan" (hereinafter, LTI) for the 2018-2020 period, which was amended by resolution of the shareholders at the Company's General Meeting of Shareholders held on March 27, 2019, which includes the delivery of Company shares linked to the achievement of certain strategic objectives, directed to the CEO, among others. In relation to the aforementioned LTI, the Board of Directors assigned to the CEO Mr. Andreas Nauen (new CEO since June 17, 2020 replacing former CEO Mr. Markus Tacke), 28,856 stock awards for the FY2018 cycle (see section C.1.13), 67,380 stock awards for the FY2019 cycle, and 79,164 stock awards for the FY2020 cycle (once updated the assignment of stock awards for FY2020 after his appointment as CEO), resulting in a total of 175,400 stock awards (the former CEO, Mr. Markus Tacke was assigned by the Board of Directors with a total of 112,746 stock awards for the three cycles (see section C.1.13) once amended the initial assignments of each cycle after his resignation). The amount of *stock awards* just means the potential maximum number of shares to be awarded to the CEO in case of maximum achievement of all objectives established for such cycles, but it does not imply in any case that all or part of them will be awarded. The number of shares which, if that is the case, are finally awarded, will be calculated over the basis of the level of effective achievement of the objectives to which it is subject to. No share has been awarded to the current or former CEO, under any of the cycles of the LTI, by the date of issuance of this report, as explained in more detail in section C.1.13 of this report.

Breakdown of the indirect holding:

Name of director	Name of direct shareholder	% of shares carrying voting rights	% of voting rights through financial instruments	% of total voting rights	% voting rights that can be transmitted through financial instruments

A.4. If applicable, state any family, commercial, contractual or corporate relationships that exist among significant shareholders to the extent that they are known to the company, unless they are insignificant or arise in the ordinary course of business, except those that are reported in Section A.6:

Name of related party	Nature of relationship	Brief description
N/A	N/A	N/A

A.5. If applicable, state any commercial, contractual or corporate relationships that exist between significant shareholders and the company and/or group, unless they are insignificant or arise in the ordinary course of business:

Name of related party	Nature of relationship	Brief description
N/A	N/A	N/A

Remarks

The contractual relationships that exist between the significant shareholder and SIEMENS GAMESA and/or its group (understood as the group of companies where SIEMENS GAMESA is the mother company, the "SIEMENS GAMESA Group" or the "Group") arise in the ordinary course of business and are not included in this section A.5. View section D.2. for more detail.

A.6. Describe the relationships, unless insignificant for the two parties, that exist between significant shareholders or shareholders represented on the Board and directors, or their representatives in the case of proprietary directors.

Explain, as the case may be, how the significant shareholders are represented. Specifically, state those directors appointed to represent significant shareholders, those whose appointment was proposed by significant shareholders and/or companies in its group, specifying the nature of such relationships or ties.

Shareholders with significant interests are represented on the Board of Directors through proprietary non-executive Directors. According to article 11.1 and 11.2 of the current Regulations of the Board of Directors of SIEMENS GAMESA approved by resolution of the Board of Directors dated November 27, 2020 ("Regulations of the Board of Directors") the categories of directors are "(...) (a) Executive Directors; and (b) Non-executive Directors. Non-executive Directors may also be Independent, Proprietary or other External Directors.

The status of each Director will be determined in accordance with legal provisions and must be explained by the Board of Directors before the General Shareholders' Meeting that will carry out or approve their appointment and confirm or, where applicable, revise it annually in the Annual Corporate Governance Report after being verified by the Appointments and Remunerations Committee."

It should also be noted that article 9.4 of said Regulations of the Board of Directors states that "*The Board of Directors shall attempt to include Proprietary and Independent Directors in the majority group of Non-executive Directors, maintaining a balance regarding the complexity of the Group, the ownership structure of the Company, the absolute and relative importance of significant shares, as well as the degree of continuity, commitment and strategic links with the owners of these stocks with the Company.*"

And then article 13.4 of said Regulations provides that "*The provisions in this chapter will be understood notwithstanding the complete freedom of the General Shareholders' Meeting to make decisions on the appointment of Directors.*"

The Board of Directors of SIEMENS GAMESA is currently made up of the following proprietary directors:

- Mr. Tim Dawidowsky, appointed on an interim basis (co-option) by the Board of Directors on September 28, 2020 at the proposal of Siemens Gas and Power GmbH & Co. KG (currently named Siemens Energy Global GmbH & Co. KG) to replace Dr. Andreas C. Hoffmann. The appointment will be submitted for ratification at the next General Meeting of Shareholders. Mr. Tim Dawidowsky is Senior Vice President Project Excellence of Siemens Energy Global GmbH & Co and member of the Board of Directors of Siemens Pakistan.

- Mr. Tim Oliver Holt, appointed on an interim basis (co-option) by the Board of Directors on February 10, 2020 at the proposal of Siemens AG to replace Ms. Lisa Davis, his appointment having been ratified and the director having been re-elected for the bylaw-mandated term at the Annual General Meeting of Shareholders held on July 22, 2020. Mr. Tim Oliver is member of the Managing Board of Siemens Energy AG and member of the Managing Board of Siemens Gas and Power Management GmbH.

- Ms. Maria Ferraro, appointed on an interim basis (co-option) by the Board of Directors on May 5, 2020 at the proposal of Siemens AG to replace Mr. Michael Sen, her appointment having been ratified and the director having been re-elected for the bylaw-mandated term at the Annual General Meeting of Shareholders held on July 22, 2020. Ms. Maria Ferraro is member of the Managing Board of Siemens Energy AG and member of the Managing Board of Siemens Gas and Power Management GmbH.

- Ms. Mariel von Schumann, appointed at the Extraordinary General Meeting of Shareholders held on October 25, 2016 at the proposal of Siemens AG, her appointment becoming effective on April 3, 2017. Siemens Gas and Power

Capital structure

GmbH & Co. KG (currently named Siemens Energy Global GmbH & Co. KG) has confirmed that Ms. Mariel von Schumann, originally proposed by Siemens AG, will maintain her condition as proprietary director.

- Mr. Miguel Angel López Borrego, appointed on an interim basis (co-option) by the Board of Directors on 16 October 2018 effective December 1, 2018 at the proposal of Siemens AG to replace Ms. Rosa María García García, his appointment having been ratified and the director having been re-elected for the bylaw-mandated term at the Annual General Meeting of Shareholders held on March 27, 2019. Siemens Gas and Power GmbH & Co. KG (currently named Siemens Energy Global GmbH & Co. KG) has confirmed that Mr. Miguel Angel López Borrego, originally proposed by Siemens AG, will maintain his condition as proprietary director.

In particular, mention the existence, identity and post of directors, or their representatives, as the case may be, of the listed company, who are, in turn, members of the Board of Directors or their representatives of companies that hold significant shareholdings in the listed company or in group companies of these significant shareholders.

Name or company name of related director or representative	Name or company name of related significant shareholder	Company name of the group company of the significant shareholder	Description of relationship/post
Holt, Tim Oliver	SIEMENS ENERGY AG		Member of the Managing Board
Holt, Tim Oliver	SIEMENS ENERGY AG	Siemens Gas and Power Management GmbH	Member of the Managing Board
Holt, Tim Oliver	SIEMENS ENERGY AG	Siemens Gas and Power Management GmbH	Labor Director
Holt, Tim Oliver	SIEMENS ENERGY AG	Ethos Energy Group Ltd.	Member of the Board of Directors
Holt, Tim Oliver	SIEMENS ENERGY AG	Siemens W.L.L. Qatar	Member of the Board of Directors
Holt, Tim Oliver	SIEMENS ENERGY AG	Siemens Ltd. Saudi Arabia	Member of the Board of Directors
Holt, Tim Oliver	SIEMENS ENERGY AG	Siemens Foundation US	Member of the Board of Trustees
Ferraro, Maria	SIEMENS ENERGY AG		Member of the Managing Board
Ferraro, Maria	SIEMENS ENERGY AG		Chief Financial Officer
Ferraro, Maria	SIEMENS ENERGY AG	Siemens Gas and Power Management GmbH	Member of the Managing Board
Dawidowsky, Tim	SIEMENS ENERGY AG	Siemens Energy Global GmbH & Co. KG	Senior Vice President Project Excellence
Dawidowsky, Tim	SIEMENS ENERGY AG	Siemens Pakistan	Member of the Board of Directors

Remarks

As of September 25, 2020, date when Siemens AG ceased to be significant shareholder of SIEMENS GAMESA, the following proprietary directors appointed at the proposal of Siemens AG, hold the following posts or relationship with Siemens AG or companies of its group:

- Mr. Miguel Angel López Borrego holds, as of September 25, 2020, the post of Chairman and CEO of Siemens, S.A., Chairman of Siemens Holding, S.L.U, member of the Board of Directors of Siemens Rail Automation, S.A.U., member of the Board of Directors of Siemens S.A. (Portugal) and member of the Advisory Board of Siemens Healthineers, S.L.U.

- Dr. Andreas C. Hoffmann, member of the Board of Directors of SIEMENS GAMESA until September 28, 2020, holds, as of September 25, 2020, the post as member of the Supervisory Board, of the Chairman's Committee, of the Related-Party Transactions Committee and Chairman of the Audit Committee of Siemens Healthineers AG, Chairman of the Supervisory Board of Siemens Gas and Power Management GmbH (Dr. Hoffmann resigned from this post on September 25, 2020), member of the Supervisory Board of Siemens Healthcare GbmH, member of the Board of Directors of Siemens Ltd., China, General Counsel and Head of Legal and Compliance of Siemens AG and member of the Board of Trustees of Siemens Stiftung (Siemens Foundation).
- Mr. Tim Oliver Holt holds, as of September 25, 2020, the post of member of the Managing Board of Siemens Energy AG, member of the Managing Board and Labor Director of Siemens Gas and Power Management GmbH, member of the Board of Directors of Siemens Ltd. India, member of the Board of Directors of Siemens W.L.L. Qatar, member of the Board of Directors of Siemens Ltd. Saudi Arabia, member of the Board of Directors of Ethos Energy Group Ltd. and member of the Board of Trustees of Siemens Foundation US.
- Ms. Mariel von Schumann holds, as of September 25, 2020, the post of member of the Board of Directors of Siemens Ltd. India and member of the Board of Trustees of Siemens Stiftung (Siemens Foundation).
- Ms. Maria Ferraro holds, as of September 25, 2020, the post of member of the Managing Board of Siemens Energy AG, member of the Managing Board of Siemens Gas and Power Management GmbH; Vice President of the Board of Directors of Siemens S.p.A., Italy; member of the Board of Directors of Siemens Ltd. Seoul, Korea; member of the Board of Directors of Siemens S.A. Spain; Company Supervisor of Siemens Industrial Automation Products Ltd., Chengdu; Company Supervisor of Siemens Computational Science (Shanghai) Co., Ltd.; Supervisor in the Supervisory Board of IBS Industrial Business Software (Shanghai) Ltd.; Supervisor in the Supervisory Board of TASS International Co. Ltd.; Company Supervisor of Siemens Electrical Apparatus Ltd., Suzhou; Supervisor in the Supervisory Board of Siemens Industry Software (Shanghai) Co., Ltd.; Company Supervisor in Siemens Numerical Control Ltd., Nanjing; Supervisor in the Supervisory Board of Camstar Systems Software (Shanghai) Company Limited; member of the Governing Board of Siemens AB, Sweden; Chief Financial Officer of Siemens AG Digital Industries Division, until April 2020; and Chief Diversity Officer of Siemens AG Digital Industries Division, until April 2020.

The following proprietary directors appointed at the proposal of Siemens AG, as SIEMENS GAMESA's significant shareholder until September 25, 2020, who resigned before such date, held the following posts or relationship with Siemens AG or companies of its group as of their resignation date:

- Dr. Ralf Thomas, member of the Board of Directors of SIEMENS GAMESA until November 27, 2019, holds, as of his resignation date, the post as member of the Managing Board and Chief Financial Officer of Siemens AG; member of the Supervisory Board and Chairman of the Audit Committee of Siemens Aktiengesellschaft Österreich; and member of the Supervisory Board and Chairman of the Audit Committee of Siemens Healthineers AG.
- Ms. Lisa Davis, member of the Board of Directors of SIEMENS GAMESA until February 10, 2020, holds, as of her resignation date, the posts of member of the Managing Board of Siemens AG; and Chairwoman of the Board of Directors of Siemens Proprietary Ltd., South Africa.
- Mr. Michael Sen, member of the Board of Directors of SIEMENS GAMESA until March 31, 2020, holds, as of his resignation date, the posts as member of the Managing Board of Siemens AG (until March 2020); Chairman of the Supervisory Board, Chairman of the Chairman's Committee, member of the Audit Committee and Chairman of the Innovation and Finance Committee of Siemens Healthineers AG (until November 2019).

Mr. Pedro Azagra Blázquez, proprietary director appointed at the proposal of Iberdrola Participaciones, S.A.U. and member of the Board of Directors of SIEMENS GAMESA until February 5, 2020, date when Iberdrola S.A. ceased to be significant shareholder of SIEMENS GAMESA, held, as of his resignation date, the posts as member of the Executive Committee at Iberdrola, S.A.; Corporate Development Director of the Iberdrola Group, and member of the Board of Directors and member of the Audit Committee of Neoenergia Brasil.

Finally, after fiscal year 2020 closing, Mr. Tim Dawidowsky resigned, on October 14, 2020, as member of the Board of Directors of Siemens Pakistan.

A.7. State whether the company has been notified of any shareholders' agreements that may affect it, in accordance with Articles 530 and 531 of the Ley de Sociedades de Capital ("Corporate Enterprises Act" or "LSC"). If so, describe these agreements and list the party shareholders:

Yes

No

Capital structure

Parties to the shareholders' agreement	Percentage of affected shares	Brief description of the agreement	Date of termination of agreement, if applicable
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State whether the company is aware of any concerted actions among its shareholders. If so, provide a brief description:

Yes No

Parties to the concerted action	Percentage of affected shares	Brief description of the agreement	Date of termination of agreement, if applicable
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If any of the aforementioned agreements or concerted actions have been modified or terminated during the year, please specify expressly:

As a consequence of the transfer of the stake in SIEMENS GAMESA owned by Iberdrola Participaciones, S.A.U. to Siemens AG effective on February 5, 2020 and considering that Iberdrola Participaciones, S.A.U. would no longer be a shareholder of SIEMENS GAMESA, both parties, Iberdrola Participaciones, S.A.U. and Siemens AG agreed to terminate the shareholders agreement entered into by them on 17 June 2016. Termination of this agreement was communicated to the Spanish Stock Market Commission by Iberdrola, S.A. on February 4, 2020 (significant event number 286473).

A.8. State whether any individual or company exercises or may exercise control over the company in accordance with Article 5 of the Ley de Mercados de Valores ("Spanish Securities Market Act" or "LMV"). If so, please identify them:

Yes No

Name of individual or company

SIEMENS ENERGY AG

Remarks

The significant shareholder SIEMENS ENERGY AG owns indirectly 67.071% of the share capital of SIEMENS GAMESA and therefore can exercise control over it according to article 42 of the Commerce Code. The Company has five external proprietary directors in the Board of Directors.

A.9. Complete the following table with details of the company's treasury shares:

At the close of the year:

Number of direct shares	Number of indirect shares (*)	Total percentage of share capital
1,625,869	0	0.239

Remarks

SIEMENS GAMESA signed on July 10, 2017 a liquidity contract with Santander Investment Bolsa, which was reported to the CNMV through Significant Event (number 254428) and entered into force on July 11, 2017. This liquidity contract was terminated on January 31, 2020 and this circumstance was reported to the CNMV on the same date through Significant Event number 286394.

Likewise, during 2020 fiscal year the CNMV has been notified of transactions carried out within the scope of the referred liquidity contract during the first quarter of 2020 fiscal year and also during the period of time from the start of the second quarter of 2020 fiscal year until its termination date, via Significant Events number 285644 and 286490.

(*) through:

Name of direct shareholder	Number of direct shares
N/A	N/A
Total:	

Explain any significant changes during the year:

Explain significant changes

Pursuant to article 40 of Royal Decree 1362/2007 of 19 October, implementing the Spanish Securities Market Act (Law 24/1988 of 28 July), regarding the transparency requirements in relation to information about issuers whose securities are admitted to trading on an official secondary market or other regulated market in the European Union (the "Royal Decree 1362/2007"), these issuers must inform the CNMV of the proportion of voting rights held when, from the last treasury stock acquisition announcement, they acquire their own shares amounting to at least 1% of the voting rights via either a single or successive transactions.

In this regard, during the 2020 fiscal year SIEMENS GAMESA made one announcement of direct acquisitions of treasury stock for reaching or exceeding the 1% threshold of the voting rights since the previous similar announcement. The referred announcement was made on December 27, 2019, including a total number of directly acquired shares of 6,816,872 representing a capital share of 1.001%.

A.10. Provide a detailed description of the conditions and terms of the authority given to the Board of Directors to issue, repurchase, or dispose of treasury shares.

As at the date of approval of this report, the approval by the shareholders at the Company's Annual General Meeting of Shareholders held on July 22, 2020 under item thirteen on the agenda, pursuant to which the Board of Directors was authorized to acquire treasury shares of the Company, is in effect. The text of the resolution adopted by the shareholders at said Meeting in item thirteen on the Agenda is set forth verbatim below:

"Pursuant to the provisions of sections 146 and 509 of the Corporate Enterprises Act, to expressly authorise the Board of Directors, with express power of substitution, to engage in the derivative acquisition of shares of Siemens Gamesa Renewable Energy, Sociedad Anónima ("Siemens Gamesa" or the "Company"), on the following terms:

- Acquisitions may be made directly by the Company or by any of its subsidiaries upon the same terms of this resolution.*
- Acquisitions shall be made through purchase/sale, swap or any other transaction allowed by law.*
- Acquisitions may be made at any time up to the maximum amount allowed by law.*
- Acquisitions may not be made at a price below the nominal value of the shares or above the listing price of the shares on the market and at the time the purchase order is entered.*
- This authorisation is granted for a period of five years from the adoption of this resolution.*
- The acquisition of shares, including shares previously acquired by the Company or by a person acting in their own name but on the Company's behalf and held thereby, may not have the effect of reducing net assets below*

the amount of share capital plus reserves restricted by law or the by-laws, all as provided in letter b) of section 146.1 of the Corporate Enterprises Act.

It is expressly stated for the record that shares acquired as a result of this authorisation may be used for subsequent disposal or retirement as well as the application of the remuneration systems contemplated in the third paragraph of letter a) of section 146.1 of the Corporate Enterprises Act, as well as for the implementation of programmes encouraging participation in the capital of the Company, such as, for example, dividend reinvestment plans, loyalty bonds or other similar instruments.

In particular, within the framework of this authorisation to acquire own shares, the Board of Directors may approve the implementation of an own share buyback programme addressed to all shareholders in accordance with article 5 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and Commission Delegated Regulation (EU) No 2016/1052 of 8 March 2016 supplementing the Regulation on market abuse with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures, or pursuant to another mechanism with a similar purpose. Said programme may be used for any of the ends provided by applicable legal provisions, including a subsequent reduction in the share capital of the Company through the retirement of the acquired shares, following approval by the shareholders at a general meeting of shareholders held after the completion of the relevant programme.

The resolution revokes and deprives of effect, to the extent of the unused amount, the authorisation for the derivative acquisition of own shares granted to the Board of Directors by the shareholders at the General Meeting of Shareholders held on 8 May 2015.”

A.11. Estimated free float

	%
Estimated free float	32.690

Remarks

The free float is calculated by deducting the capital belonging to significant shareholders, directors and treasury stock by the total amount of share capital as of September 30, 2020.

A.12. State whether there are any restrictions (article of associations, legislative or of any other nature) placed on the transfer of shares and/or any restrictions on voting rights. In particular, state the existence of any type of restriction that may inhibit a takeover attempt of the company through acquisition of its shares on the market, and those regimes for the prior authorization or notification that may be applicable, under sector regulations, to acquisitions or transfers of the company's financial instruments.

Yes

No

Description of restrictions

Do not exist.

A.13. State if the shareholders have resolved at a meeting to adopt measures to neutralise a takeover bid pursuant to the provisions of Act 6/2007.

Yes

No

If so, please explain the measures approved and the terms under which such limitations would cease to apply:

Explain the measures approved and the terms under which such limitations would cease to apply

No resolution has been adopted.

A.14. State if the company has issued shares that are not traded on a regulated EU market.

Yes

No

If so, please list each type of share and the rights and obligations conferred on each.

List each type of share

All the shares in SIEMENS GAMESA's share capital are of the same class and series and confer the same political and economic rights. There are no different voting rights for any shareholder. There are no shares that do not represent capital. The Company's shares are admitted to trade on the stock exchanges in Madrid, Barcelona, Bilbao and Valencia, through the Spanish Stock Exchange Interconnection System (Continuous Market).

B. GENERAL SHAREHOLDERS' MEETING

B.1. State whether there are any differences between the quorum established by the LSC for General Shareholders' Meetings and those set by the company and if so, describe them in detail:

Yes No

	% quorum different from that contained in Article 193 LSC for general matters	% quorum different from that contained in Article 194 LSC for special resolutions
Quorum required at 1st call	N/A	N/A
Quorum required at 2nd call	N/A	N/A

Description of differences

Do not exist.

B.2. State whether there are any differences in the company's manner of adopting corporate resolutions and the manner for adopting corporate resolutions described by the LSC and, if so, explain:

Yes No

Describe how it is different from that contained in the LSC.

	Qualified majority different from that established in Article 201.2 LSC for Article 194.1 LSC matters	Other matters requiring a qualified majority
% established by the company for adoption of resolutions	N/A	N/A

Describe the differences

Do not exist.

B.3. State the rules for amending the company's Articles of Association. In particular, state the majorities required for amendment of the Articles of Association and any provisions in place to protect shareholders' rights in the event of amendments to the Articles of Association.

The amendment of the By-Laws of SIEMENS GAMESA is governed by the provisions of: (i) Sections 285 to 290 of the Corporate Enterprises Act, (ii) its By-Laws y (iii) its Regulations for the General Meeting of Shareholders.

Articles 14.h) of the By-Laws and 6.1 i) of the Regulations for the General Meeting of Shareholders provide that said amendment is within the purview of the shareholders acting at a General Meeting of Shareholders of SIEMENS GAMESA.

Furthermore, articles 18 of the By-Laws and 26 of the Regulations for the General Meeting of Shareholders include the quorum requirements and articles 26 of the By-Laws and 32 of the Regulations for the General Meeting of Shareholders provide for the majorities required to adopt resolutions at the General Meeting of Shareholders. All of said articles refer to the legal provisions on these matters.

Additionally, article 31.4 of the Regulations for the General Meeting of Shareholders provides that the Board of Directors, in accordance with the provisions of law, shall formulate different proposed resolutions relating to those matters that are essentially independent, so that the shareholders can exercise their voting rights separately. Within the context of amending the By-Laws, this rule means that each article or group of articles that is substantially independent shall constitute a separate proposal and shall be subject to individual approval.

Finally, pursuant to Section 518 of the Corporate Enterprises Act, for purposes of the call of a General Meeting of Shareholders at which an amendment of the By-Laws is proposed, the Company's website shall include the full text of the proposed resolutions regarding the items on the agenda in which said amendment is proposed, as well as the reports of the competent bodies in relation to these items.

B.4. Give details of attendance at General Shareholders' Meetings held during the year of this report and the previous year:

Attendance data					
Date of General Meeting	% physically present	% present by proxy	% distance voting		Total
			Electronic voting	Other	
07-22-2020	0.63	86.92	0.00	0.00	87.55
Of which, free float:	0.63	19,85	0.00	0.00	20,48
03-27-2019	9.47	74.42	0.00	0.00	83.89
Of which, free float:	1.40	15.42	0.00	0.00	16.82
03-23-2018	9.01	72.39	0.00	0.00	81.40
Of which, free float:	0.93	13.39	0.00	0.00	14.32

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Remarks

The free-float percentages have been calculated by dividing the shares present in person and by proxy less those belonging to significant shareholders and directors participating at each General Meeting of Shareholders, according to the information available on the attendance roll, by the total number of shares outstanding on the date the Meeting is held. For these purposes, significant equity interests deposited into omnibus accounts (that are not in the name of the holders of said equity interests) have been subtracted from the shares present in person and by proxy, as the Company was aware of the participation of said significant shareholder at the Company's General Meeting of Shareholders.

At the General Meeting of Shareholders held on July 22, 2020, seven shareholders, holding a total of seven thousand eight hundred sixty-three (7,863) shares, used the electronic absentee voting platform.

B.5. State whether any point on the agenda of the General Shareholders' Meetings during the year has not been approved by the shareholders for any reason.

Yes

No

Points on agenda not approved

% votes against (*)

(*) If the non-approval of the point is for a reason other than the votes against, this will be explained in the text part and "N/A" will be placed in the "% votes against" column.

B.6. State if the Articles of Association contain any restrictions requiring a minimum number of shares to attend General Shareholders' Meetings, or on distance voting:

Yes

No

Number of shares required to attend General Meetings

Number of shares required for distance voting

B.7. State whether it has been established that certain decisions other than those established by law exist that entail an acquisition, disposal or contribution to another company of essential assets or other similar corporate transactions that must be subject to the approval of the General Shareholders' Meeting.

Yes

No


Explain the decisions that must be subject to the General Shareholders' Meeting, other than those established by law

Do not exist.

B.8. State the address and manner of access to the page on the company website where one may find information on corporate governance and other information regarding General Shareholders' Meetings that must be made available to shareholders through the company website.

Article 48 of the By-Laws of SIEMENS GAMESA governs the activation of the Company's website pursuant to applicable law.

At its meeting of September 13, 2017, the Board of Directors of SIEMENS GAMESA approved the change of the corporate website from www.gamesacorp.com to www.siemensgamesa.com. The change was registered with the Commercial Registry of Biscay on October 24 2017 and was published in the Official Gazette of the Commercial Registry (*Boletín Oficial del Registro Mercantil*) (BORME) on November 2, 2017, all for purposes of the full effectiveness thereof pursuant to Section 11 bis of the Corporate Enterprises Act.


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The corporate website includes all information and content that must be published (directly accessible at <https://www.siemensgamesa.com/en-int/investors-and-shareholders>) pursuant to the Restated Text of the Securities Market Act approved by Royal Legislative Decree 4/2015 of 23 October (the "Securities Market Act"), the Corporate Enterprises Act, Order ECC/461/2013 of 20 March Determining the Content and Structure of the Annual Corporate Governance Report, the Annual Remuneration Report and Other Information Instruments of Listed Companies, Savings Banks and Other Entities that Issue Securities Admitted to Trading on Official Securities Markets, and CNMV Circular 3/2015 of 23 June on Technical and Legal Specifications and Information that must be Contained in Websites of Listed Companies and Savings Banks that Issue Securities Admitted to Trading on Official Secondary Securities Markets.

As to mandatory content, the Company seeks to continuously improve accessibility for users, particularly shareholders and investors, and this content is kept permanently updated pursuant to applicable law.

As regards accessibility of the mandatory content, it should be noted that access is provided on the home page of the corporate website. This access is located in the upper part of the page under the title "Investors and shareholders" (accessible at <https://www.siemensgamesa.com/en-int/investors-and-shareholders>), where there is a drop-down list of sections with all of the content that must be included on the websites of listed companies pursuant to the legal provisions mentioned above. These sections can also be accessed directly at their respective addresses:

- <https://www.siemensgamesa.com/en-int/investors-and-shareholders/share-and-dividend>
- <https://www.siemensgamesa.com/en-int/investors-and-shareholders/financial-information>
- <https://www.siemensgamesa.com/en-int/investors-and-shareholders/corporate-governance>
- <https://www.siemensgamesa.com/en-int/investors-and-shareholders/communications-to-the-cnmv>

It should also be noted that this access to section "Investors and shareholders" is also available at the bottom of the website's home page.

The corporate website also contains other information of interest for shareholders and investors and news relating to the Company's activities.

C. COMPANY ADMINISTRATIVE STRUCTURE

C.1. Board of Directors

C.1.1. Maximum and minimum number of directors established in the Articles of Association and the number set by the general meeting:

Maximum number of directors	15
Minimum number of directors	5
Number of directors set by the general meeting	10

Remarks

The General Meeting of Shareholders of SIEMENS GAMESA held on July 22, 2020 agreed, under item number eleven of the agenda, to set the number of members of the Board of Directors at ten, under article 30.2 of the By-laws and article 9.2 of the Regulations of the Board of Directors.

C.1.2. Please complete the following table on directors:

Name of director	Natural person representative	Director category	Position on the Board	Date first appointed to Board	Last re-election date	Method of selection to Board
López Borrego, Miguel Angel		External Proprietary	Chairman	12-01-2018	03-27-2019	General Meeting
Nauen, Andreas		Executive	Chief Executive Officer	06-17-2020	07-22-2020	General Meeting
Dawidowsky, Tim		External Proprietary	Director	09-28-2020	09-28-2020	Board of Directors Co-option
Ferraro, Maria		External Proprietary	Director	05-05-2020	07-22-2020	General Meeting
Hernández García, Gloria		Independent	Director	05-12-2015	03-27-2019	General Meeting
von Heynitz, Harald		Independent	Director	02-10-2020	07-22-2020	General Meeting



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Holt, Tim Oliver	External Proprietary	Director	02-10-2020	07-22-2020	General Meeting
Krämmmer, Rudolf	Independent	Director	02-20-2019	03-27-2019	General Meeting
Rosenfeld, Klaus	Independent	Director	04-03-2017	04-03-2017	General Meeting
von Schumann, Mariel	External Proprietary	Director	04-03-2017	04-03-2017	General Meeting

Total number of directors

10

State if any directors, whether through resignation, dismissal or any other reason, have left the Board during the period subject to this report:

Name of director	Director type at time of leaving	Date of last appointment	Date director left	Specialised committees of which he/she was a member	Indicate whether the director left before the end of the term
Thomas, Ralf	External Proprietary	04-03-2017	11-27-2019	None	Yes
Azagra Blázquez, Pedro	External Proprietary	03-27-2019	02-05-2020	Appointments and Remunerations Committee	Yes
Davis, Lisa	External Proprietary	04-03-2017	02-10-2020	None	Yes
Cendoya Aranzamendi, Andoni	Independent	03-27-2019	02-23-2020	Appointments and Remunerations Committee	Yes
Alonso Ureba, Alberto	Independent	03-23-2018	02-23-2020	Audit, Compliance and Related Party Transactions Committee	Yes
Rodriguez-Quiroga Menéndez, Carlos	Executive	06-20-2017	02-23-2020	None	Yes
Sen, Michael	External Proprietary	06-20-2017	03-31-2020	None	Yes
Tacke, Markus	Executive	06-20-2017	06-17-2020	None	Yes
Hoffmann, Andreas C.	External Proprietary	07-22-2020	09-28-2020	None	Yes

Reason for leaving and other remarks

Nine members of the Board of Directors stepped down during fiscal year 2020.

Mr Pedro Azagra Blázquez, in his condition as proprietary Director, resigned on the grounds of the sale by Iberdrola Participaciones, S.A.U. of its entire shareholding in SIEMENS GAMESA, as explained in his resignation letter.

Mr Andoni Cendoya Aranzamendi explained in his letter of resignation that, after a long and rewarding collaboration, during which great efforts and dedication have been required to adapt the Company to the changes resulting from its merger, he considered his time in the Company fulfilled and that with his resignation he wanted to facilitate the



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adaptation of the Company to the challenges of the new phase resulting after the significant changes in its shareholding structure with the best composition and structure of its Board of Directors.

Mr Alberto Alonso Ureba explained in his letter of resignation that it was grounded only on the relevant changes in the shareholding structure of SIEMENS GAMESA, resulting from the restructuring initiated by Siemens AG in May 2019 and the agreement in February 2020 between Siemens AG and Iberdrola group that lead to a new phase for the Company. In this letter, he considered his duty as Director to facilitate with his resignation that the Board of Directors and the General Meeting of Shareholders might adopt the resolutions they deemed more convenient in relation to the Board of Director's composition and structure, in light of the new circumstances of the Company.

Mr Carlos Rodríguez-Quiroga Menéndez explained in his letter of resignation that, after 18 years of service to SIEMENS GAMESA since he was appointed as Director in 2001, having participated in the important successes of the Company during this year, he thought it was moment to pursue new professional opportunities and dedicate more time to his profession as a lawyer, referring also the important structural changes occurred in the Company in the last few years and, in particular, the merger with the wind business of the Siemens group.

Mr Andreas C. Hoffman, in his condition as proprietary Director, resigned on the ground of the spin-off by Siemens AG of its energy business resulting on no longer holding shares in SIEMENS GAMESA as explained in his resignation letter.

Mr Michael Sen, in his condition as proprietary Director, resigned on the grounds that he would be leaving the Siemens group at the end of March 2020.

Mr Markus Tacke resigned in accordance with art. 16.2.b) of the Regulations of the Board of Directors in force, on the grounds of his termination as Chief Executive Officer of SIEMENS GAMESA.

Dr Ralf Thomas and Ms Lisa Davis, proprietary Directors, resigned for personal reasons.

To supplement the chart of the members of the Board of Directors, it should be noted that Mr. Juan Antonio García Fuente, former Deputy Secretary non-member of the Board of Directors, holds the position of Secretary non-member of the Board of Directors and Legal Counsel (*Letrado Asesor*) of the Company since his appointment on March 18, 2020.

C.1.3. Complete the following tables regarding the members of the Board and their categories:

EXECUTIVE DIRECTORS

Name or company name of director	Post in organizational chart of the company	Profile
Nauen, Andreas	Chief Executive Officer	<p>Born in Krefeld (Germany). He is currently Chief Executive Officer and Member of the Delegated Executive Committee of SIEMENS GAMESA RENEWABLE ENERGY, S.A.</p> <p>He holds a Mechanical Engineering Degree from the University of Duisburg (Germany) and a Commercial Degree from the University of Hagan.</p> <p>He served as CEO of the Offshore Business Unit of Siemens Gamesa Renewable Energy, S.A. since November 2017 until June 2020.</p> <p>Mr. Andreas Nauen has a large experience in the renewable energy sector, which he started in the Siemens group, where over the course of a decade he operated in branches worldwide in diverse and key roles. He was appointed and held the position as CEO of the global wind turbines business of Siemens from 2004 to 2010, leading the integration of the newly acquired company Bonus Energy A/S. Subsequently he was appointed CEO for the global wind turbines business at REpower/Senvion (2010-2015). Lastly, for a year he was Managing Director at KTR Systems GmbH in Rheine (Germany).</p> <p>Mr. Andreas Nauen is currently on the supervisory board of NKT A/S.</p>

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Total number of executive directors	1
Percentage of Board	10.00

PROPRIETARY DIRECTORS

Name of director	Name or company name of the significant shareholder represented	Profile
López Borrego, Miguel Ángel	SIEMENS ENERGY AG	<p>Born in Frankfurt am Main (Germany) but of Spanish nationality, he holds the position of Chairman of the Board of Directors and Chairman of the Delegated Executive Committee of SIEMENS GAMESA RENEWABLE ENERGY, S.A.</p> <p>Graduated in Business Administration Dipl. by the Berufsakademie Mannheim, Dipl. Betriebswirt (Germany) and MBA by the University of Toronto (Canada).</p> <p>He currently holds the position as Chairman and Chief Executive Officer of Siemens, S.A. (Spain) as well as Chairman of the Board of Directors of Siemens Holding S.L.U., member of the Board of Siemens Rail Automation S.A.U., member of the Board of Directors of Siemens, S.A. (Portugal) and member of the Advisory Board of Siemens Healthineers, S.L.U. In addition to this, he is also member of the Managing Board of the Deutsche Handelskammer für Spanien (German Chamber of Commerce for Spain), member of the Managing Board of Innobasque (Basque Innovation Agency) and member of the Business Advisory Council of CEOE (Confederation of employers and industries of Spain).</p> <p>His professional career started as plant controller in VDO AG. Afterwards he was appointed Chief Financial Officer of VDO Instrumentos in Spain and of VDO's global Instruments Division. Within the Siemens Group he held the position as Chief Financial Officer of the Interior & Infotainment Business Unit of Siemens VDO AG, of the Low Voltage Controls & Distribution Business Unit in the Siemens Automation & Drives group, of the Industry Automation Division, of Siemens' Industry Sector, until in 2014 he was appointed CFO of Siemens Digital Factory Division. In 2017 he held the position of CFO of Siemens Gamesa Renewable Energy.</p> <p>Throughout his entire professional career, he held different positions on various boards of directors around the world. As an example, he has served on Primetals Technologies' Board of Directors in Austria and Great Britain; Valeo Siemens eAutomotive or several positions in China and in other countries such as France and Portugal.</p>
Dawidowsky, Tim	SIEMENS ENERGY AG	<p>Born in Husum (Germany), he currently holds the position of Member of the Board of Directors of SIEMENS GAMESA RENEWABLE ENERGY, S.A.</p> <p>He holds a Degree in Industrial Engineering and Business Administration by the Technical University of Berlin (Germany).</p> <p>Currently he holds the position as Senior Vice President of Project Excellence in Siemens Energy Global GmbH & Co. KG.</p> <p>Mr. Dawidowsky has developed his professional career in the Siemens AG group since 1993 where he held several positions as, among others, Data Management Director (1998-2000) and Supply Management Director (2000-2003) both in the Power Generation unit, and Procurement Vice President (2000-2006) in Industrial Solutions & Services. From 2006 until 2009 he was CEO of Industrial Solution for North East Asia and afterwards, from 2009 until 2012, he held the position as Senior Vice President for Casting and Rolling in Siemens VAI Metals Technologies.</p>



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		<p>More recently, Mr. Dawidowsky has held the position as CEO for business unit EPC (2019-2020), CEO for business unit Large Drives (2015-2019) and CEO for business unit Transmission Solution (2012-2015) in Siemens AG and member of the Board of Directors of Siemens Pakistan.</p>
Ferraro, Maria	SIEMENS ENERGY AG	<p>Born in Hamilton (Canada), she currently holds the position of Member of the Board of Directors and Member of the Audit, Compliance and Related Party Transactions Committee of SIEMENS GAMESA RENEWABLE ENERGY, S.A.</p> <p>She holds a degree in Accounting from Brock University (Canada), and she is also a certified accountant by the Canadian Institute of Chartered Accountants.</p> <p>Ms. Ferraro currently holds the position of Member of the Managing Board and CFO (Chief Financial Officer) of Siemens Energy AG and Member of the Managing Board of Siemens Gas and Power Management GmbH.</p> <p>She previously held the post as CFO of Siemens Digital Industries and CDO (Chief Diversity Officer) of Siemens AG. Throughout her professional career she also held various positions within the Siemens group related to the accounting, controlling or finance departments, including CFO of Siemens UK or CFO of Siemens Canada.</p> <p>Ms. Maria Ferraro is member of the Advisory Board of the Technical University of Munich.</p>
Holt, Tim Oliver	SIEMENS ENERGY AG	<p>Born in Bremerhaven (Germany), he currently holds the position of Member of the Board of Directors and Member of the Delegated Executive Committee of SIEMENS GAMESA RENEWABLE ENERGY, S.A.</p> <p>He holds a degree in Aerospace Engineering from the Technical University in Berlin (Germany), and MBA from Northwestern University's Kellogg School of Management in Evanston, Illinois (U.S.).</p> <p>Mr. Holt is member of the Managing Board of Siemens Energy AG and member of the Managing Board and Labor Director of Siemens Gas and Power Management GmbH, and he is also Board member of EthosEnergy Group Ltd., Siemens W.L.L. Qatar, Siemens Ltd. Saudi Arabia and the Siemens Foundation US.</p> <p>He previously served as Chief Operating Officer (COO) of Siemens Gas & Power from 2019 to 2020 and as the CEO of the Siemens Power Generation Services Division from 2016 to 2019. He has also held other roles within Siemens Group including CEO of Wind & Renewable Energy Services, Vice President of Business Development for the Power Generation Services Division, as well as other roles in sales, engineering, and strategy.</p>
von Schumann, Mariel	SIEMENS ENERGY AG	<p>Ms. von Schumann holds the position of Member of the Board of Directors and of the Appointments and Remunerations Committee of SIEMENS GAMESA RENEWABLE ENERGY, S.A.</p> <p>Born in Brussels (Belgium), she graduated from ICHEC University of Brussels (Bachelor in Economics and Business Administration and Management), and from EAP-ESCP Europe with a master's in International Business Administration and Management. She completed a number of postgraduate programs, among others at INSEAD and LBS.</p> <p>Throughout her professional career, she has held various management posts in Product Management, Mergers and Acquisitions, Strategy and Investor Relations. At Siemens AG, she served as Head of Investor Relations until October 2013 and held the posts as Chief of Staff and Head of Governance & Markets until July 2019. Currently, she is also on the Board of Directors for Siemens India and for the Siemens Foundation (<i>Siemens Stiftung</i>).</p>



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Total number of proprietary directors	5
Percentage of the Board	50.00

INDEPENDENT DIRECTORS

Name of director	Profile
Hernández García, Gloria	<p>Born in Madrid, she holds the position of Member of the Board of Directors and of the Audit, Compliance and Related Party Transactions Committee of SIEMENS GAMESA RENEWABLE ENERGY, S.A.</p> <p>She studied at the Complutense University of Madrid, where she obtained a degree in Economic Sciences with a specialty in Economic Theory.</p> <p>Currently she is non-executive Director in the Board of Directors of NORTEGAS.</p> <p>Until January 2019 she held the post as General Director of Finance and Capital Markets of Bankinter, S.A., manager of the treasury of the company, of balance sheet risk management, of solvency and calculation, and of the management of the resources of the Bankinter Group, as well as responsible for the budget control and the efficiency, the investors relations, accountancy policies and the financial control, the accounts and the financial information of the Bankinter group and the coordination of the relationship of the entity with the ECB. She was member of the Management Committee of Bankinter, S.A., Director as representative of Bankinter in Linea Directa Aseguradora, S.A., Bankinter Consumer Finance and Bankinter Global Services.</p> <p>Before joining Bankinter, S.A., she served for over seven years as the Financial Director of Banco Pastor, S.A.</p> <p>Ms. Gloria Hernández García is Commercial Technician and State Economist on personal leave, and as such she worked until 2003 in different public posts connected to the Directorate General of the Treasury and Financial Policy, where she also held the position of General Manager of the Treasury. She also was nata Director of the CNMV and the Bank of Spain.</p> <p>At last, she has had significant international experience by being, among others, a representative member of Spain on Committees of the European Union and Director of the subsidiary of Bankinter in Luxembourg.</p>
von Heynitz, Harald	<p>Born in Munich (Germany), he holds the position of Member of the Board of Directors, Chairman of the Audit, Compliance and Related Party Transactions Committee and Member of the Appointments and Remunerations Committee of SIEMENS GAMESA RENEWABLE ENERGY, S.A.</p> <p>Graduated from the University of Munich (Germany) with a degree in Business Administration, he is admitted since 25 years as tax consultant (Steuerberater) and certified public accountant (Wirtschaftsprüfer) in Germany. He is also a certified public accountant in the U.S. as a member of the AICPA since 22 years.</p> <p>Mr. von Heynitz is registered in own practice since January 2020. In March 2020 he started as a member of management of FAS Steuerberatungsgesellschaft mbH, Munich. He has extensive experience in accounting, auditing, financial and business advisory and worked for 33 years for KPMG in Munich and New York. In 1999 he became partner and throughout his career he served large publicly listed companies in Germany including Siemens, Airbus Group, and Linde, as Audit Lead Partner and/or Global client Lead Partner. During the last 15 years he held different leadership positions within KPMG, among others, he was the Lead Audit Partner for Siemens from 2001 to 2004, Partner in charge of the Audit function for Southern Germany from 2004 to 2007 and member of the KPMG Europe LLP Board from 2007 until 2012.</p>
Krämmer, Rudolf	<p>Born in Rosenheim (Germany), he holds the position of Member of the Board of Directors, Member of the Delegated Executive Committee, Member of the Audit, Compliance and Related Party Transactions Committee and Chairman of the Appointments and Remunerations Committee of SIEMENS GAMESA RENEWABLE ENERGY, S.A.</p> <p>Graduated from the University of Munich (Germany) with a degree in Business Administration, he is admitted since 25 years as tax consultant (Steuerberater) and certified public accountant (Wirtschaftsprüfer) in Germany.</p> <p>Mr. Krämmer has extensive experience in accounting, auditing, financial and business</p>



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advisory. He worked for almost 15 years for Arthur Andersen and Andersen Consulting in Munich, Chicago, Moscow and St. Petersburg, the last six years as partner in different leadership positions. In 2002 he joined EY Germany as partner and was lead audit partner on significant publicly listed companies in Germany including Siemens AG. Overall, he served EY for 14 years thereof almost 10 years as member of the managing board.

Currently he is registered in own practice and engaged in voluntary social work in his community. He is member of the supervisory board of Ärzte ohne Grenzen, Deutsche Sektion e.V.

Born in Bonn (Germany), he holds the position of Member of the Board of Directors and of the Appointments and Remunerations Committee of SIEMENS GAMESA RENEWABLE ENERGY, S.A.

After an apprenticeship at Dresdner Bank and his military service he graduated in Business Administration from the University of Münster (Germany).

Currently, he is the CEO of Schaeffler AG, a leading automotive and industrial supplier, a position he was appointed to in June 2014.

Rosenfeld, Klaus

He started his professional career in 1993 holding several positions in the Investment Banking Division in Dresdner Bank AG. In 2002 he became member of the Board of Directors, being responsible for Finance and Controlling, Compliance and Corporate investments Dresdner Bank AG.

He joined the Schaeffler AG in March 2009 as Chief Financial Officer. During this period he led the corporate and financial restructuring of the group, after the takeover bid for Continental AG, and led, in 2012, Schaeffler AG's access to the debt markets and its IPO in October 2015.

He is also a member of the management and supervisory bodies of various industrial companies. In particular, he is a member of the Supervisory Board and the Audit Committee of Continental AG, in Hanover (Germany), and the Board of Directors of Schaeffler India Ltd., in Mumbai (India). He is also a member of the Executive Committee of the Federation of German Industries (BDI) in Berlin.

Number of independent directors

4

Percentage of the Board

40.00

State whether any independent director receives from the company or any company in the group any amount or benefit other than compensation as a director, or has or has had a business relationship with the company or any company in the group during the past year, whether in his or her own name or as a significant shareholder, director or senior executive of a company that has or has had such a relationship.

In this case, include a statement by the Board explaining why it believes that the director in question can perform his or her duties as an independent director.

Name of the director

Description of the relationship

Statement of the Board

N/A

N/A

N/A

OTHER EXTERNAL DIRECTORS

Identify the other external directors and state the reasons why these directors are considered neither proprietary nor independent, and detail their ties with the company or its management or shareholders:

Name of director	Reason	Company, director or shareholder to whom the director is related	Profile
N/A	N/A	N/A	N/A
Total number of other external directors			0
Percentage of the Board			0.00

State any changes in status that has occurred during the period for each director:

Name of director	Date of change	Previous Status	Current status
N/A	N/A	N/A	N/A

C.1.4. Complete the following table with information relating to the number of female directors at the close of the past 4 years, as well as the category of each:

	Number of female directors				% of directors for each category			
	Year t	Year t-1	Year t-2	Year t-3	Year t	Year t-1	Year t-2	Year t-3
Executive	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Proprietary	2	2	4	4	40.00%	33.33%	66.67%	66.67%
Independent	1	1	2	2	25.00%	20.00%	40.00%	50.00%
Other external	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Total	3	3	6	6	30.00%	23.08%	46.15%	50.00%

C.1.5. State whether the company has diversity policies in relation to the Board of Directors of the company on such questions as age, gender, disability and training and professional experience. Small and medium-sized enterprises, in accordance with the definition set out in the Accounts Audit Act, will have to report at least the policy they have implemented in relation to gender diversity.

Yes

No

Partial policies

Should this be the case, describe these diversity policies, their objectives, the measures and way in which they have been applied and their results over the year. Also state the specific measures adopted by the Board of Directors and the appointments and remuneration committee to achieve a balanced and diverse presence of directors.

In the event that the company does not apply a diversity policy, explain the reasons why.

Description of policies, objectives, measures and how they have been implemented, including results achieved

The composition of the Board of Directors is a key element of SIEMENS GAMESA's Corporate Governance system. As such, it must help the governance bodies to adequately perform their management and oversight functions, providing different viewpoints and opinions, fostering debate, analysis and critical review of the proposals submitted for its consideration. Thus, the Board of Directors currently consists of a combination of people with wide experience and knowledge of the energy sector and expertise on different fields of interest to SIEMENS GAMESA (such as auditing, finance, controlling, M&A and restructuring or multinational businesses), overall achieving adequate balance and diversity in its composition, allowing for a better operation.

SIEMENS GAMESA is aware of the significance of the principle of diversity both in the composition of the Board of Directors and in the processes of selection and re-election of candidates for director, and this is set forth in its current Regulations of the Appointments and Remunerations Committee (art. 7.4) endorsed by resolution of the Board of Directors dated November 27, 2020 ("Regulations of the Appointments and Remunerations Committee"), the current Regulations of the Audit, Compliance and Related Party Transactions Committee (art. 15.2) endorsed by resolution of the Board of Directors dated November 27, 2020 ("Regulations of the Audit, Compliance, and Related Party Transactions Committee"), and in the "Director Selection Policy" the last version of which was approved under the name of "Board of Directors Diversity and Director Selection Policy" by resolution of the Board of Directors after 2020 fiscal year closing (November 4, 2020), following the favourable report issued by the Appointments and Remunerations Committee on July 15, 2020. By way of example, the function to oversee compliance with this principle is given to the Appointments and Remunerations Committee, which supports it in processes within its purview, like searching for candidates for Director of the Company, preparing reports and procedures for appointment or re-election of directors.

Specifically, the "Board of Directors Diversity and Director Selection Policy" of SIEMENS GAMESA, includes among its objectives the search for persons whose appointment favours diversity of gender, knowledge and experience within the Board of Directors. Furthermore, the Company must take into account the principle of diversity, among other principles, in the formulation of proposals or reports issued in relation to candidates for director of the Company, as provided in section 4.c) of said Policy: *"The selection of directors may not suffer from implied bias that might entail discrimination of any kind, and particularly that might hinder the selection of female directors."*

Moreover, the new section 5 of said Policy states that *"The Company is aware that diversity within the organisation, including its Board of Directors, is a key element within its strategy and to achieve its objectives. For this purpose, and as indicated in previous section 2, the director selection process shall promote diversity and to this end candidates, whose appointment shall promote the directors having different genders, cultures, age, geographic origins, experience, skills, etc., shall be evaluated and selection practices that might be considered to be discriminatory in these terms shall be avoided. In particular the Company sets its ambition that the number of female directors represent at least 40% of the total members of the Board of Directors by 2022 without falling below 30% during such period."*

Likewise, the Audit, Compliance and Related Party Transactions Committee according to article 15 of its Regulations shall seek diversity in the composition thereof, particularly as regards gender, career experience, skills, sector-specific knowledge and geographical origin.

In line with the foregoing, during fiscal year 2020 the Company changed six directors making up its Board of Directors, which has allowed the inclusion of new skills and experiences. Regarding the number of members of the Board of Directors, the General Meeting of Shareholders of SIEMENS GAMESA held on July 22, 2020 approved, in item eleven on the agenda, its reduction from thirteen to ten. The aforementioned appointments are described below:

- Dr. Andreas C. Hoffmann was appointed as a director by the Board of Directors on November 27, 2019 through the interim appointment (co-option) procedure, with the classification of proprietary non-executive director. The appointment was ratified, and he was re-elected as director for the bylaw-mandated four-year term, at the General Meeting of Shareholders held on July 22, 2020. Dr. Andreas C. Hoffmann resigned on September 28, 2020.

- Mr. Tim Oliver Holt was appointed as a director by the Board of Directors on February 10, 2020 through the interim appointment (co-option) procedure, with the classification of proprietary non-executive director. The appointment was ratified, and he was re-elected as director for the bylaw-mandated four-year term, at the General Meeting of Shareholders held on July 22, 2020. Mr. Holt was appointed as a member of the Audit, Compliance and Related Party Transactions Committee on February 10, 2020. Mr. Holt resigned from his position on the referred Committee on May 5, 2020, being replaced by Ms. Maria Ferraro, and continuing as

member of the Board of Directors of the Company. Mr. Holt was appointed as member of the Delegated Executive Committee on August 5, 2020.

- Mr. Harald von Heynitz was appointed as a director by the Board of Directors on February 10, 2020 through the interim appointment (co-option) procedure, with the classification of independent non-executive director. The appointment was ratified, and he was re-elected as director for the bylaw-mandated four-year term, at the General Meeting of Shareholders held on July 22, 2020. Mr. von Heynitz was appointed as a member of the Appointments and Remunerations Committee and of the Audit, Compliance and Related Party Transactions Committee on February 10, 2020 and was appointed as Chair of the latter committee on February 12, 2020.

- Ms. Maria Ferraro was appointed as a director by the Board of Directors on May 5, 2020 through the interim appointment (co-option) procedure, with the classification of proprietary non-executive director. The appointment was ratified, and she was re-elected as director for the bylaw-mandated four-year term, at the General Meeting of Shareholders held on July 22, 2020. Ms. Ferraro was appointed as member of the Audit, Compliance and Related Party Transactions Committee on May 5, 2020.

- Mr. Andreas Nauen was appointed as a director by the Board of Directors on June 17, 2020 through the interim appointment (co-option) procedure, with the classification of executive director. The appointment was ratified, and he was re-elected as director for the bylaw-mandated four-year term, at the General Meeting of Shareholders held on July 22, 2020. Mr. Nauen was appointed as Chief Executive Officer by the Board of Directors on June 17, 2020 and said delegation of powers was ratified after his re-election as executive director as described in Section C.1.9 of this report. Mr. Nauen was appointed as member of the Delegated Executive Committee on August 5, 2020.

- Mr. Tim Dawidowsky was appointed as a director by the Board of Directors on September 28, 2020 through the interim appointment (co-option) procedure, with the classification of proprietary non-executive director. The appointment will be submitted for ratification at the next General Meeting of Shareholders.

SIEMENS GAMESA publishes on its corporate website (www.siemensgamesa.com) the internal rules mentioned at the beginning, as well as the Activities Report of the Board of Directors and of its consultative Committees, in which one can analyze in greater detail the objectives and duties of the internal bodies, the procedures, and the profiles of the directors.

Board of Directors skills and diversity matrix

Our Board of Directors' composition provides the balance of knowledge, capabilities, qualifications, diversity and experience required to execute our strategy. This balance is reflected in the Board's skills and diversity matrix that was approved in 2019 and updated in 2020.

The SIEMENS GAMESA's skills and diversity matrix included here below, separates the skills in two groups, general and specific, with reference to the degree of coverage of each of them by each Director, and by the Board of Directors as a whole.

Together with the section related to skills, there is another section related to diversity in relation to geographical origin or international studies, women, and independence of the members of the Board of Directors.

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Capacities and experiences	Director 1	Director 2	Director 3	Director 4	Director 5	Director 6	Director 7	Director 8	Director 9	Director 10
A. General										
Administration, senior management and experience in boards of directors (100%)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sectorial experience and expertise in energy or business related engineering or industry (50%)	✓	✓		✓					✓	✓
International capacity or experience (100%)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Experience and expertise in strategy (50%)		✓	✓	✓	✓					✓
Accounting and financial knowledge (70%)	✓		✓		✓	✓	✓	✓		✓
Audit, internal control and risk management knowledge and experience (60%)	✓		✓			✓	✓	✓		✓
Institutional, regulatory and legal/corporate governance (20%)					✓	✓				
B. Specific										
Digitization and Information Technologies (50%)	✓			✓	✓			✓	✓	
Human resources, culture, talent and remuneration systems (40%)		✓		✓	✓			✓		
Corporate social responsibility and sustainable development (40%)			✓	✓	✓			✓		

Geographical origin or international studies:

The Board of Directors is composed of 90% of Directors with geographical origin or international education in Europe, 40% in North America or the United Kingdom and 10% with international education in APAC.

Women:

Currently, the Board has 3 women, that make up 30% of members of the Board.

Independence:

When it comes to tenure, 90% of Board Directors have been in office between 0 and 4 years and 10% have been between 5 and 8 years.



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- C.1.6. Describe the means, if any, agreed upon by the appointments committee to ensure that selection procedures do not contain hidden biases which impede the selection of female directors and that the company deliberately seeks and includes women who meet the target professional profile among potential candidates and which makes it possible to achieve a balance between men and women.

Explanation of means

By application of article 14 of the Regulations of the Board of Directors, the Appointments and Remunerations Committee has established standards for selecting Directors of renowned reputation, credibility, solvency, competence and experience, endeavoring to ensure that female candidates meeting this profile are included in the selection process.

Likewise, the consolidated text of article 7.4 of the Regulations of the Appointments and Remunerations Committee provides that the Committee will “ensure that, when filling vacancies or appointing new directors, the selection procedures: (i) do not suffer from implicit bias that might involve any discrimination and, in particular, that might hinder the selection of female directors, and (ii) favour the diversity of the members of the Board of Directors, particularly as regards gender, professional experience, age, competencies, personal skills and sector knowledge, international experience or geographical origin.” Furthermore, article 7.5 of the Regulations of the Appointments and Remunerations Committee provides that one of its tasks is to “set a representation target for the gender that is least represented on the Board of Directors and prepare guidelines on how to achieve it.”

For the same purpose as above, the Board of Directors has amended the “Director Selection Policy” after 2020 fiscal year closing (November 4, 2020), following the favourable report issued by the Appointments and Remunerations Committee on July 15, 2020, in order to give further relevance to diversity, resulting on an amendment of the Policy title to “Board of Directors Diversity and Director Selection Policy” which refers expressly to diversity on the Board of Directors, and by adding a new Section 5 incorporating the amended recommendation of the Good Governance Code for Listed Companies in terms of presence of female directors in the Boards of Directors, and which reads as follows: “The Company is aware that diversity within the organisation, including its Board of Directors, is a key element within its strategy and to achieve its objectives. For this purpose, and as indicated in previous section 2, the director selection process shall promote diversity and to this end candidates, whose appointment shall promote the directors having different genders, cultures, age, geographic origins, experience, skills, etc., shall be evaluated and selection practices that might be considered to be discriminatory in these terms shall be avoided. In particular the Company sets its ambition that the number of female directors represent at least 40% of the total members of the Board of Directors by 2022 without falling below 30% during such period”.

Finally, the Company is compliant with 30% of female members in the Board of Directors. As of September 30, 2020, the Board of Directors of SIEMENS GAMESA has three women among its ten members representing 30% of the total members of the Board of Directors.

Moreover, the Diversity & Inclusion Strategy for FY20-FY22 was approved by the Executive Committee in February 25, 2020 and is driven by four Long Term Goals in the aim of cultivating diversity and equal opportunities as impactful and competitive advantages, being one of them to increase the female representation in the Company’s Board of Directors, in the overall workforce and in senior management position. The objective of this plan is to design and share a new and common concept of diversity, to truly embrace it through different specific and global initiatives focused especially on gender equality, culture, inclusion, and work-life balance.

Likewise, SIEMENS GAMESA is part of the Programme “*Más mujeres, mejores empresas*” (“More women, better companies”) of the Spanish Ministry of Equality for increasing the number of women in management positions and executive committees and for a balanced composition of Board of Directors between men and women within four years.

During 2020 fiscal year SIEMENS GAMESA has increased the proportion of women holding senior and middle management positions and proportions are expected to grow in accordance with the application of best working practices.

Finally, it should be highlighted that Ms. Beatriz Puente, will join SIEMENS GAMESA on December 1, 2020, as Chief Financial Officer becoming part of the senior management staff.

In the event that there are few or no female directors in spite of any measures adopted, please explain the reasons that justify such a situation:

Explanation of means

N/A



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- C.1.7. Describe the conclusions of the appointments committee regarding verification of compliance with the selection policy for directors; in particular, as it relates to the goal of ensuring that the number of female directors represents at least 30% of the total membership of the Board of Directors by the year 2020

The conclusions of the verification of compliance with the “Director Selection Policy” during 2020 fiscal year carried out by the Appointments and Remunerations Committee are the following:

- The Appointments and Remunerations Committee confirms that the Company’s processes for the selection, appointment and re-election of directors complied during financial year 2020 with the requirements imposed by law and the Corporate Governance Rules of Siemens Gamesa, as well as the recommendations of the Good Governance Code.
- The Appointments and Remunerations Committee has expressly verified that the process of selecting candidates for director as well as their subsequent appointment as members of the Board of Directors during financial year 2020 complied with the “Board of Directors Diversity and Director Selection Policy of Siemens Gamesa Renewable Energy, S.A.” which last version was approved by the Board of Directors on November 4, 2020.
- The Board of Directors of Siemens Gamesa, as a company with a high level of internationalisation, has members with different geographical and national origins, who also have a wide variety of personal qualifications, knowledge and professional experience, which reflects the Company’s clear commitment to diversity in the composition of its management decision-making body. The background and professional profile of the six directors appointed during 2020 is a good evidence of such commitment as different areas as technical, legal, financial, auditing and accountancy are covered.
- With respect to gender diversity in the composition of the Board of Directors, Siemens Gamesa complies with the aim of having the presence of at least 30% women in 2020, as established in the Policy, as the Company has, by the end of 2020 fiscal year, 3 women on its Board of Directors, representing 30% of its members since the Annual General Meeting of Shareholders held on July 22, 2020 set the number of its members at ten.
- This is without prejudice to the Company’s continue commitment to improving the application of the good governance standards, principles and rules regarding the selection of directors and it will promote that such selection processes take into account the recommendations of the Good Governance Code regarding diversity. In this sense, the Company has set already the ambition that the presence of women in the Board of Directors increases to 40% by 2022 without falling below 30% during this period.

- C.1.8. If applicable, please explain the reasons for the appointment of any proprietary directors at the request of shareholders with less than a 3% equity interest:

Name of shareholder	Reason
N/A	N/A

State whether the Board has failed to meet any formal requests for membership from shareholders whose equity interest is equal to or higher than that of others at whose request proprietary directors have been appointed. If this is the case, please explain why the aforementioned requests were not met:

Yes

No

Name of shareholder	Explanation

C.1.9. State the powers delegated by the Board of Directors, as the case may be, to directors or Board committees:

Name of director or committee	Brief description
Nauen, Andreas	The Board of Directors of SIEMENS GAMESA, in its meeting held on June 17, 2020, unanimously agreed, following a favorable report from the Appointments and Remunerations Committee, to ratify the delegation of powers to Mr. Andreas Nauen as CEO, in the event that the shareholders at the General Meeting of Shareholders to be held on July 22, 2020 decide to ratify the Board's resolution to appoint Mr. Andreas Nauen as a Director on an interim basis (co-option) and to re-elect him for the bylaw-mandated term of four years within the category of Executive Director; delegating to him all the powers which, according to the law and the By-laws correspond to the Board of Directors, except those which cannot be delegated pursuant to the law and the By-laws. The General Meeting of Shareholders of SIEMENS GAMESA held on July 22, 2020 approved the aforementioned ratification and re-election of Mr. Nauen and he accepted his appointment and the ratification of the delegation of powers on the same date.
Delegated Executive Committee	The Board of Directors of SIEMENS GAMESA unanimously agreed on August 5, 2020 to activate its Delegated Executive Committee which has been delegated part of the powers of the Board of Directors, excluding amongst other those which may not be legally delegated or the ones that cannot be delegated under the provisions of the Bylaws and of the Regulations of the Board of Directors. See the Regulations of the Delegated Executive Committee for further detail on the specific functions delegated into this Committee.

C.1.10. Identify any members of the Board who are also directors or officers in other companies in the group of which the listed company is a member:

Name of director	Name of group member	Position	Does the director have executive powers?
N/A	N/A	N/A	N/A

C.1.11. List any legal-person directors of your company who are members of the Board of Directors of other companies listed on official securities markets other than group companies, and have communicated that status to the Company:

Name of director	Name of listed company	Position
Nauen, Andreas	NKT A/S	Member of the Supervisory Board
	Schaeffler AG	Chief Executive Officer
Rosenfeld, Klaus	Continental AG	Member of the Supervisory Board and Member of its Audit Committee
	Schaeffler India Ltd.	Member of the Board of Directors
Dawidowsky, Tim	Siemens Pakistan	Member of the Board of Directors
Holt, Tim Oliver	Siemens Energy AG	Member of the Managing Board



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	Siemens Ltd. India	Member of the Board of Directors
von Schumann, Mariel	Siemens Ltd. India	Member of the Board of Directors
Ferraro, Maria	Siemens Energy AG	Member of the Managing Board

Remarks

Mr. Andreas Nauen, Chief Executive Officer of SIEMENS GAMESA, was a member of the Supervisory Board of Semco Maritime A/S until July 2020.

Dr. Ralf Thomas, member of the Board of Directors of SIEMENS GAMESA until the date of his resignation on November 27, 2019, was a member of the Managing Board of Siemens AG and member of the Supervisory Board and Chairman of the Audit Committee of Siemens Healthineers AG.

Ms. Lisa Davis, member of the Board of Directors of SIEMENS GAMESA until the date of her resignation on February 10, 2020, was a member of the Managing Board of Siemens AG, member of the Board of Directors of Penske Automotive Group Inc, USA, and member of the Board of Directors of Kosmos Energy Ltd.

Mr. Michael Sen, member of the Board of Directors of SIEMENS GAMESA until the date of his resignation on March 31, 2020, was a member of the Managing Board of Siemens AG.

Dr. Andreas C. Hoffmann, member of the Board of Directors of SIEMENS GAMESA until the date of his resignation on September 28, 2020, was a member of the Supervisory Board, of the Chairman's Committee, of the Related-Party Transactions Committee and Chairman of the Audit Committee of Siemens Healthineers AG.

Mr. Pedro Azagra Blázquez, member of the Board of Directors of SIEMENS GAMESA until the date of his resignation on February 5, 2020, was member of the Board of Directors and member of the Audit Committee of Neoenergia Brasil.

After fiscal year 2020 closing, Mr. Tim Dawidowsky resigned, on October 14, 2020, as member of the Board of Directors of Siemens Pakistan.

C.1.12. State whether the company has established rules on the number of boards on which its directors may hold seats, providing details if applicable, identifying, where appropriate, where this is regulated:

Yes

No

Explanation of the rules and identification of the document where this is regulated

Article 10 of the Regulations of the Board of Directors of SIEMENS GAMESA establishes rules on the maximum number of companies' boards its directors may be a part of:

"Article 10. Incompatibilities for becoming a Director

The following individuals cannot be Directors or, where applicable, natural person representatives of a Legal Entity Director:

(...)

b) Any individual acting in the position of Director of more than three companies whose shares are traded in domestic or foreign securities markets.

(...)"

C.1.13. State total remuneration received by the Board of Directors:

Board remuneration in financial year (thousand euros)	5,869
Amount of vested pension interests for current members (thousand euros)	548
Amount of vested pension interests for former members (thousand euros)	0

Remarks

In addition to the information provided above it shall be mentioned that:

- Pursuant to articles 45.3 and 45.6 of the Bylaws of SIEMENS GAMESA and as agreed by virtue of the fifteenth resolution of the agenda of the 2015 General Meeting of Shareholders, the remuneration of the Company to all directors as fixed annual remuneration and allowances for their dedication and attendance does not exceed the maximum amount of three million euro (€3,000,000) as established by the cited General Meeting of Shareholders, as such consideration is compatible with and independent from the remuneration received by executive directors.
- The remuneration of the Board of Directors includes, according to the 2020 Annual Report on Remunerations of the members of the Board, the amounts of, among others, the following recognized concepts to the previous CEO, Mr. Markus Tacke, during the fiscal year 2020: severance pay, no advance notice, and the non-competition clause, implemented at his departure from the Company. Further detail on remuneration of members of the Board of Directors can be found in the referred 2020 Annual Report on Remunerations available on the corporate website (www.siemensgamesa.com).
- The information included in this section C.1.13 regarding the total remuneration received by the Board of Directors differs from Note 19 of the Individual Report and Note 31 of the Consolidated Report, which form part of the financial statements for fiscal year 2020, as this section includes as remuneration the shares to be delivered to the CEO Mr Andreas Nauen (15,871 shares valued 375 thousand Euro) and to the former CEO Mr Markus Tacke (25,814 shares valued 609 thousand Euro) under the Cycle FY2018 of the Long Term Incentive Plan whilst in the financial statements such shares are not considered as Compensation received until its effective delivery date.

As indicated above, these shares have not been delivered to their beneficiaries yet. According to the Plan Regulations, they must be delivered within sixty (60) calendar days from the 27th of November 2020, date on which the Company's Board of Directors has formulated the financial statements for financial year 2020, and it is subject to the applicable withholding tax, to the clawback and to the application of the rest of the conditions (continue being employed by the group at the delivery date, except in certain cases of termination of the relationship (good leaver).

In the absence of the share price on the delivery date as the shares of the FY2018 Cycle have not yet been delivered, in order to calculate their cash value, we have taken as a reference the average daily closing price of the 20 trading days prior to the end date of the Cycle FY2018 (30 September 2020) and the 20 trading days following that date. This price was Euro 23,61 per share. According to the Plan Regulations, this is the criteria used to measure the fulfilment of the Relative Total Shareholder Return ratio ("TSR") objective for Cycle FY2018.

C.1.14. Identify senior management staff who are not executive directors and their total remuneration accrued during the year:

Name	Position
Bartl, Jürgen	General Secretary
Bauer, Pierre	CEO Offshore Business Unit (interim)
Gutiérrez, Juan	CEO Service Business Unit



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Immink, Marc	Internal Audit Director
Nauen, Andreas	CEO Onshore Business Unit (interim)
Spannring, Thomas	Chief Financial Officer (interim)
Wollny, Christoph	Chief Operations Officer
Total senior management remuneration (thousand euros)	
	7,901

Remarks

The list above refers to those people who are qualified as senior managers according to SIEMENS GAMESA'S Corporate Governance framework, which does not necessarily imply a special labour relationship under Spanish Labor Law (RD 1382/1985).

The remuneration of the Top Management includes (i) the remuneration corresponding to those who have been part of the Senior Management during part or the whole fiscal year (including those in acting role, Mr. Spannring as acting CFO and Mr. Bauer as acting CEO Offshore). This includes the remuneration accrued by the current CEO, Mr. Andreas Nauen, in his role as CEO Offshore until June 16, 2020, and (ii) the amount of a severance pay and the amount due to a non-competition clause accrued by two senior managers due to termination of their labor relationship.

During fiscal year 2020 four senior managers left SIEMENS GAMESA and one left his senior manager position.

Mr. David Mesonero Molina, former Chief Financial Officer, stepped down from his role on April 1, 2020. Since such date Mr. Thomas Spannring is acting as interim CFO until the appointment of the new CFO, Ms. Beatriz Puente is effective as of December 1, 2020.

Mr. Andreas Nauen, former CEO of Offshore Business Unit, was appointed as CEO of Siemens Gamesa on June 17, 2020. Since such date Mr. Pierre Bauer has been acting as interim CEO Offshore until the appointment of the new CEO of Offshore Business Unit, Mr. Marc Becker is effective as of February 1, 2021.

Mr. Mark Albenze, former CEO of Services Business Unit, retired stepping down from his role on August 18, 2020, being replaced by Mr. Juan Gutierrez.

Mr. Alfonso Faubel, former CEO of Onshore Business Unit, stepped down from his role on August 15, 2020. Since such date Mr. Andreas Nauen is acting as interim CEO Onshore until the appointment of the new CEO Onshore, Mr. Lars Bondo Krogsgaard is effective as of November 1, 2020.

Mr. Felix Zarza, former Internal Audit Director retired and stepped down from his role on April 1, 2020, being replaced by Mr. Marc Immink.

The information included in this section C.1.14 regarding the total remuneration received by the senior management differs from Note 20 of the Individual Report and Note 32 of the Consolidated Report, which form part of the financial statements for fiscal year 2020, as this section includes as remuneration the shares to be delivered to senior management under the Cycle FY2018 of the Long Term Incentive Plan valued 1,387 thousand Euro in total, whilst in the financial statements such shares are not considered as Compensation received until its effective delivery date.

As indicated above, these shares have not been delivered to their beneficiaries yet. According to the Plan Regulations, they must be delivered within sixty (60) calendar days from the 27th of November 2020, date on which the Company's Board of Directors has formulated the financial statements for financial year 2020, and it is subject to the applicable withholding tax, to the clawback and to the application of the rest of the conditions (continue being employed by the group at the delivery date, except in certain cases of termination of the relationship (good leaver).

In the absence of the share price on the delivery date as the shares of the FY2018 Cycle have not yet been delivered, in order to calculate their cash value, we have taken as a reference the average daily closing price of the 20 trading days prior to the end date of the Cycle FY2018 (30 September 2020) and the 20 trading days following that date. This price was Euro 23,61 per share. According to the Plan Regulations, this is the criteria used to measure the fulfilment of the Relative Total Shareholder Return ratio ("TSR") objective for Cycle FY2018.



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C.1.15. State whether the Board rules were amended during the year:

Yes

No

Description of amendment

The Board of Directors approved on August 5, 2020 the amendment of its Regulations. The main purpose of this amendment to the Regulations of the Board of Directors was to adapt some of its paragraphs dealing with the Delegated Executive Committee to the Recommendations of the Good Governance Code of Listed Companies (the "Code"), in accordance with the revision approved by the National Securities Market Commission in June 2020.

Likewise, the Board of Directors approved after 2020 fiscal year closing (November 27, 2020) further amendments of its Regulations to: (i) reflect the modifications on the recommendations of the Code as reviewed in June 2020; and (ii) include certain other changes of a technical nature. The rationale behind the changes to the Regulations approved was to ensure that the Company keeps strengthening its Corporate Governance framework.

Among the amendments approved are a more detailed regulation of the cases when Directors must resign or the explanations they must provide when they leave the Board of Directors ahead of the end of their term.

C.1.16. Specify the procedures for selection, appointment, re-election and removal of directors: the competent bodies, steps to follow and criteria applied in each procedure.

Selection and appointment procedure:

As provided by article 30 of the By-Laws of SIEMENS GAMESA, the members of the Board of Directors are "appointed or approved by the General Shareholders' Meeting" with the provision that "if there are openings during the period for which Directors were appointed, the Board of Directors can appoint individuals to occupy them until the first Shareholders' General Meeting is held", always in accordance with the applicable provisions of the Corporate Enterprises Act and the By-Laws.

Furthermore, pursuant to article 13.2 of the Regulations of the Board of Directors "the proposals for appointing Directors submitted by the Board of Directors for consideration by the General Shareholders' Meeting and the appointment decisions adopted using the co-option procedure must be preceded by: (a) for Independent Directors, a proposal from the Appointments and Remunerations Committee; and (b) in other cases, a report from the aforementioned committee." In this regard, article 13.3 of said Regulations provides that "when the Board of Directors declines the proposal or the report from the Appointments and Remunerations Committee mentioned in the above section, it must justify doing so and include a record of it in the minutes."

Article 13.4 of said Regulations then provides that "the provisions in this chapter will be understood notwithstanding the complete freedom of the General Shareholders' Meeting to make decisions on the appointment of Directors."

Finally, article 14 of said Regulations provides that "the Board of Directors and the Appointments and Remunerations Committee shall make an effort, within the sphere of their competencies, to ensure that the proposal and election of candidates falls on individuals of renowned reputation, credibility, solvency, competence and experience" and adds that "concerning a Legal Entity Director, the natural person representing it in the performance of the duties related to the position will be subject to the conditions included in the previous paragraph."

New Directors joining the Board of Directors receive an appropriate introduction designed to provide an overview of the business and the Company (Directors' Information Manual) which covers:

- The internal corporate rules and corporate policies in force, as well as financial and business information regarding SIEMENS GAMESA and compliance with the recommendations of the Good Governance Code for Listed Companies.
- A Corporate Governance overview, with content covering the corporate governance organization, with references to the General Meeting of Shareholders (regulation, duties, details from last General Meeting of Shareholders held); Board of Directors (regulation, duties, composition, organization of its meetings and duties of its Chairman and CEO); Committees of the Board of Directors (duties and composition of each of them); and a section which analyzes in deeper detail two topics concerning the Directors which are the remuneration and the duties, with specific references to the duties of care, loyalty and avoidance of conflicts of interest.

- Corporate Social Responsibility

New Directors are also offered an informative session about the Duties of a Director, and the Internal Regulations for Conduct in a Securities Market, as derived from being a listed company and so ruled by the Spanish Stock Market Law.

Directors who are appointed members of a Committee receive a specific introduction to their role as such, by describing the duties/responsibilities attributed to each Committee, the recommendations of the Good Governance Code for Listed Companies, the internal regulations applicable, and how each Committee complies with them.

Re-election procedure:

Article 15 of the Regulations of the Board of Directors provides that *“proposals for re-election of Directors submitted by the Board of Directors to the General Shareholders' Meeting must be accompanied by the corresponding explanatory report in the terms set forth by the law. The resolution of the Board of Directors to submit the re-election of Independent Directors to the General Shareholders' Meeting must be adopted upon proposal of the Appointments and Remunerations Committee, while the re-election of other Directors must have a prior favorable report from this committee.”*

In this regard, section 2 of said article adds that *“directors that are part of the Appointments and Remunerations Committee must abstain from taking part in the deliberations and votes that affect them.”*

Finally, section 3 of said article states that *“the re-election of a Director who is part of a committee or who holds an internal position on the Board of Directors or one of its committees will determine his/her continuity in this position without requiring express re-election and notwithstanding the power of revocation which corresponds to the Board of Directors.”*

Evaluation procedure:

Article 25.8 of said Regulations of the Board of Directors governs the procedure for evaluation of directors, and provides that *“the Board of Directors shall evaluate at least once a year: (a) the quality and effectiveness of its operation; (b) the performance of duties of the Chairman of the Board of Directors, and if applicable, of the CEO and Coordinating Director, based on the report submitted to the Appointments and Remunerations Committee; and (c) the operation of the committees based on the reports they submit to the Board of Directors.”*

In this regard, article 8 of the Regulations of the Appointments and Remunerations Committee provides that said committee shall have the following main functions regarding the evaluation of the Board:

“1. To promote and coordinate the annual assessment of the performance of the Chairman of the Board of Directors and, where appropriate; the CEO; Board of Directors; Delegated Executive Committee; Audit, Compliance and Related Party Transactions Committee; Appointments and Remunerations Committee; Coordinating Director and any other advisory committee constituted in accordance with the provisions of the Corporate Governance Standards.

2. To submit to the Board of Directors the results of said evaluation together with a draft action plan and with recommendations to correct any deficiencies identified or to improve the functioning of the Board of Directors or its committees.

3. As part of the evaluation, the Committee shall also monitor the attendance of the directors at meetings.

4. To perform the evaluations, the Committee shall have the internal means it deems appropriate in each case, and the support of independent external consultants at least every three years. Consultants supporting the Committee in the exercise of its powers of evaluation provided for in the Corporate Governance Rules shall be different from any that advise the Company in the process of selecting directors or members of Top Management or in relation to the remuneration thereof.”

Removal procedure:

Pursuant to the By-Laws, directors will hold their position for four years, for so long as they are not removed by resolution of the General Meeting of Shareholders or they do not resign from their position.

Article 16 of the referred Regulations of the Board of Directors provides that *“Directors will be removed from their position once the term for which they were appointed has passed, notwithstanding the possibility of being re-elected, and whenever the General Shareholders' Meeting decides to do so as proposed by the Board of Directors or the shareholders, in the terms set forth by law.”*



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The processes and standards to follow for removal will be those provided for in the Corporate Enterprises Act and in Royal Decree 1784/1996 of 19 July approving the Regulations of the Commercial Registry.

Finally, section 2 of article 16 of said Regulations of the Board of Directors provides the instances in which Directors must tender their resignation to the Board of Directors and formalize it, if the Board of Directors sees fit, subject to a report from the Appointments and Remunerations Committee.

C.1.17. Explain how the annual evaluation of the Board has given rise to significant changes in its internal organization and to procedures applicable to its activities:

Description of changes

The governance bodies of SIEMENS GAMESA are continuously improving their corporate governance systems, identifying key actions that contribute to the improvement of the operation and effectiveness of the Board of Directors and its committees.

The most important advances that the Company has achieved during fiscal year 2020 are the following:

- The Delegated Executive Committee has been activated to increase the agility of the governance bodies and to help the Board of Directors channel its relationship with top management.
- The achievement of a 30% female representation by year 2020 as recommended in the Good Governance Code.
- As to composition, the incorporation of new directors' profiles has helped to add new capabilities and strengthen the existing ones.
- The Audit, Compliance and Related Party Transactions Committee has increased the number of members.
- Succession planning continues being a priority and the Board of Directors has reviewed the Company's succession plan for top managerial roles and has reviewed and updated the succession protocol for the Chairman and the Chief Executive Officer.
- As to operation, the implementation of flexibility measures for remote connections has allowed the Company to adapt to the restrictions caused by the global COVID-19 pandemic.
- As to skills development, the training sessions have improved both in the content and in the duration.

Describe the evaluation process and the areas evaluated by the Board of Directors with the help, if any, of external advisors, regarding the function and composition of the board and its committees and any other area or aspect that has been evaluated.

Description of the evaluation process and evaluated areas

The Board of Directors of SIEMENS GAMESA evaluates its performance on an annual basis. Thus, on July 29, 2020 the Board of Directors approved the commencement of the process of evaluation of the Board of Directors itself, of the Audit, Compliance and Related Party Transactions Committee, of the Appointments and Remuneration Committee and of the chair of the Board of Directors. This fiscal year it was decided not to assess the Chief Executive Officer due to his recent appointment on June 17, 2020.

For this process, it was determined to hire PricewaterhouseCoopers Asesores de Negocios, S.L. ("PwC") as an external adviser.

The evaluation process, which has included the analysis of more than 160 indicators, has covered the following areas: (i) composition of the bodies, (ii) operation thereof, (iii) development of skills and performance of duties, and (iv) relations with other bodies. These areas have been analyzed from 3 perspectives: (i) compliance with internal rules and with applicable regulations; (ii) analysis of future trends in corporate governance; and finally, (iii) level of compliance with the improvement areas identified in the previous year's assessment processes. During this



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assessment, individual interviews were held with all directors and with the Secretary of the Board of Directors and of the Audit, Compliance and Related Party Transitions Committee.

The process concluded at the meeting of the Board of Directors held on November 4, 2020, with the approval of the results of the evaluation and the Action Plan for fiscal year 2021.

The conclusions of the evaluation process show a high degree of compliance with the indicators reviewed and that the operation of the Company's governance bodies continued to improve during the fiscal year. These results should also be viewed within the context of significant events affecting the shareholder composition and a global COVID-19 pandemic. Both of these topics have required to convene various extraordinary meetings to further analyze the situation of the Company and to strengthen procedures to be able to comply with the duties of the Board (e.g. use of videoconference, etc.).

The Action Plan 2021 deriving from the evaluation process focuses on continuing to advance in the operation of the governance bodies and to keep aligning with best practices in the corporate governance. For this reason, among other areas for advancement, work will continue devoting even more time to analyze the Company's strategy through specific off-site meeting, continuing to incorporate more women to the Board and improving the Company's training sessions.

C.1.18. Describe, in those years in which the external advisor has participated, the business relationships that the external advisor or any group company maintains with the company or any company in its group.

The business relations of the consultant and the companies of its group with SIEMENS GAMESA during the last fiscal year amounted to 2.1 million euros (representing less than 0.5% of PwC España's billing and less than 0.001% of PwC's billing worldwide).

C.1.19. State the situations in which directors are required to resign.

As established in Article 16.2 of the Regulations of the Board of Directors, "*directors or the natural person representing a Legal Entity Director must offer their resignation to the Board of Directors and formalize it, if the Board sees fit, subject to a report provided by the Appointments and Remunerations Committee in the following cases:*

- a) *Concerning Proprietary Directors, whenever these or the shareholder they represent cease to be the owners of significant stocks in the Company, as well as when such shareholders revoke representation.*
- b) *Concerning Executive Directors, when they are removed from the executive positions associated with their appointment as Director and, in all cases, whenever the Board of Directors considers it necessary.*
- c) *Concerning Non-executive Directors, when they join the management of the Company or of any of the companies in the Group.*
- d) *When, due to circumstances beyond their control, they are involved in cases of incompatibility or prohibition as set forth by law or the Corporate Governance Standards.*
- e) *Whenever they are brought to trial for a supposedly criminal act or a court ruling is passed against them to open a trial for any of the offenses set forth in the provisions of the Capital Company Act related to the prohibitions on being a Director, or whenever they are involved in a sanction for a serious or very serious offense brought by supervisory authorities.*
- f) *Whenever they are issued a serious warning by the Board of Directors or are sanctioned for a serious or very serious offense by a public authority for having breached their duties as Directors in the Company.*
- g) *Whenever their continuity on the Board of Directors could put the Company's interests at risk, or whenever the reasons for their appointment have ceased to exist.*
- h) *When, due to acts attributable to the Director acting in his/her capacity as such, cause significant damage to the Company's assets, or the reputation of the Company, or result in the loss of the business and professional reputation and credibility required for being a Director of the Company.*
- i) *When there are situations that affect them, whether or not related to their conduct within the Company itself, that might harm the good standing or reputation of the Company and its Group."*



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C.1.20. Are qualified majorities other than those established by law required for any specific decision?

Yes

No

If so, please describe any differences.

Description of differences

The Regulations of the Board of Directors (article 4.4) requires at least a two-third majority of the Directors attending the meeting to pass amendment thereof (save for modifications imposed by mandatory standards, in which case a simple majority of the votes present or represented at the meeting will be required to adopt the resolution).

Article 18.3 of said Regulations of the Board of Directors stipulates that in case the position of Chairman of the Board of Directors is held by an Executive Director, "removal from the position of this Director will require the absolute majority of the members of the Board of Directors."

C.1.21. Explain whether there are any specific requirements, other than those relating to directors, to be appointed as chairman of the Board of Directors.

Yes

No

Description of requirements

Do not exist.

C.1.22. State whether the Articles of Association or the Board Rules establish any limit as to the age of directors:

Yes

No

	Age limit
Chairman	N/A
CEO	N/A
Directors	N/A

C.1.23. State whether the Articles of Association or the Board Rules establish any term limits for independent directors other than those required by law:

Yes

No

Additional requirements and/or maximum number of term limits	N/A
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C.1.24. State whether the Articles of Association or Board Rules establish specific proxy rules for votes at Board meetings, how they are to be delegated and, in particular, the maximum number of delegations that a director may have, as well as if any limit regarding the category of director to whom votes may be delegated and whether a director is required to delegate to a director of the same category. If so, please briefly describe the rules.

Article 25.3 of the Regulations of the Board of Directors states that *"the Directors must attend the meetings that are held. However, Directors may cast their vote in writing or delegate in writing their representation to another Director, specifically for each meeting, and the number of representations that each Director can receive is not limited. Non-executive Directors may only delegate representation to another Non-executive Director."*

For the purposes of delegating votes, each time a meeting of the Board of Directors is convened, the specific proxy award model for that meeting is made available to the directors so that they can confer their representation and, where applicable, voting instructions if deemed necessary by the represented director are included. All aforementioned is in



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compliance with article 32.2 of the By-laws of SIEMENS GAMESA which states that *"any Director may cast his/her vote in writing or confer his/her representation to another Director, specifically for each meeting. Non-executive Directors may only do so to another Non-executive Director."*

C.1.25. State the number of meetings held by the Board of Directors during the year, and if applicable, the number of times the Board met without the chairman present. Meetings where the chairman sent specific proxy instructions are to be counted as attended.

Number of Board meetings	25
Number of Board meetings without the chairman	0

Remarks

One of the twenty-five meetings held by the Board of Directors during the 2020 fiscal year was in writing and without a meeting, according to Article 25.5 of the Regulations of the Board of Directors.

State the number of meetings held by the coordinating director with the other directors, where there was neither attendance nor representation of any executive director:

Number of meetings	0
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Please specify the number of meetings held by each committee of the Board during the year:

Number of meetings held by the Delegated Executive Committee	1
Number of meetings held by the Audit Compliance and Related Party Transactions Committee	24
Number of Meetings held by the Appointments and Remunerations Committee	12

C.1.26. State the number of meetings held by the Board of Directors during the year in which all of its directors were present. For the purposes of this section, proxies given with specific instructions should be considered as attendance:

Number of meetings where at least 80% of the directors attended	20
% of attendance over total votes during the year	88.73%
Number of meetings in situ or representations made with specific instructions of all directors	9
% of votes issued at in situ meetings or with representations made with specific instructions out of all votes cast during the year	92.00%



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Remarks

Pursuant to the provisions of article 25.5 of the Regulations of the Board of Directors, during fiscal year 2020 the Board of Directors met once in writing and without a meeting, which, due to the nature of such procedure, has not been considered for this section C.1.26. Leaving said meeting in writing and without a meeting aside, the personal attendance of at least 80% of the Directors occurred in 20 out of the 24 remaining Board of Directors meetings considered in this section.

During fiscal year 2020, there were four Directors who missed one meeting, three Directors who missed two meetings, one Director who missed three meetings, one Director who missed eight meetings, and one Director who missed eleven meetings. In all cases but one, they delegated their proxy to another Director of the same category and in eight occasions the proxy was granted with specific instructions.

C.1.27. State if the individual and consolidated financial statements submitted to the Board for preparation were previously certified:

Yes

No

Identify, if applicable, the person/s who certified the individual and consolidated financial statements of the company for preparation by the Board:

Name	Position
Nauen, Andreas	CEO
Spannring, Thomas	Chief Financial Officer (interim) and Accounting, Reporting and Controlling Director
Wollny, Christoph	Chief Operation Officer

Remarks

The SIEMENS GAMESA's Consolidated Financial Statements are prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union .

To ensure the external financial reporting is conducted in a proper manner and to avoid or identify material misstatements therein with reasonable assurance, an accounting-related internal control system called Internal Controls over Financial Reporting (ICFR) is established, which is based on the internationally recognized "Internal Control-Integrated Framework" developed by COSO.

According to SIEMENS GAMESA's internal processes the Managing Directors and Heads of Accounting of fully consolidated companies sign a Quarterly Internal Certification for their area of responsibility, providing confirmation among others for the following topics: i) confirmation of the representations in the Representation Letter to the auditor, ii) correctness and completeness of financial reporting and related disclosures, iii) Quarterly bank account attestation, iv) Compliance with internal regulations, v) Completeness of internal certifications, vi) Independence of external auditor and vii) Adherence to the Business Conduct Guidelines. These Quarterly Internal Certifications are the basis for SIEMENS GAMESA's Group CEO, COO, CFO and Head of Accounting to confirm the Group Consolidated Financial Statements.

C.1.28. Explain any measures established by the Board of Directors to prevent the individual and consolidated financial statements prepared by the Board from being submitted to the General Shareholders' Meeting with a qualified audit opinion.

The Board of Directors, through the Audit, Compliance and Related Party Transactions Committee, has a crucial role in the supervision of the process of preparing the financial information of the Company.

Therefore, the work of the Audit, Compliance and Related Party Transactions Committee deals with the following main topics:

A) Audit of accounts

Article 6 of the Regulations of the Audit, Compliance and Related Party Transactions Committee gives the Audit, Compliance and Related Party Transactions Committee the following powers, among others, in relation to the audit of accounts:

“e) Serve as a channel of communication between the Board of Directors and the auditor, ensuring that the Board of Directors holds an annual meeting with the auditor to be informed on the work carried out, the evolution of the accounting position and the risks.

f) Request from the auditor on a regular basis information about the audit plan and its implementation and any other matters related to the audit process, as well as all other communications provided for in the current audit legislation.

g) Assess the results of each audit and the management team's response to its recommendations.

(...)

i) Oversee the content of audit reports before they are issued and, where applicable, the content of limited review reports on interim statements, trying that said content and the opinions expressed therein regarding the annual financial statements are drafted by the auditor clearly, precisely and without limitations or exceptions and, should any exist, explaining them to the shareholders. In this sense, the Committee shall oversee the main findings of the audit work in conjunction with the auditor and, if necessary, propose adequate measures to the Board of Directors in order to remove the impairments found by the auditor.”

B) Supervision of the process of preparation and presentation of the mandatory financial information

It should also be noted that article 8 of said Regulations of the Audit, Compliance and Related Party Transactions Committee describes the following principal functions of said Committee regarding the process for preparing economic/financial information:

“a) Oversee the process of preparation and submission and clarity and integrity of economic and financial information relating to the Company and its consolidated Group, as well as the correct delimitation of such group, and raise the recommendations or proposals to the Board of Directors that may deem appropriate in this sense. The Committee shall perform its duty of overseeing continuously and, on an ad-hoc basis, when requested by the Board of Directors.

b) Oversee that all periodic economic and financial information (Half-Yearly Financial Reports and the quarterly management statements) is formulated under the same accounting criteria as the annual financial information and, for this purpose and where appropriate, propose to the Board of Directors that the auditor perform a limited review thereof.

c) Oversee compliance with legal requirements and the correct application of generally accepted accounting principles and inform the Board of any significant changes in accounting criteria.

d) Oversee the reasons why the Company should disclose in its public reporting certain alternative performance measures, instead of the metrics defined directly by accounting standards, the extent to which such alternative performance measures provide useful information to investors and the degree of compliance with the best practices and international recommendations in this respect.

e) Be informed of the significant adjustments identified by the auditor or arising from the Internal Audit Department's reviews, and management's position on such adjustments.

f) Address, respond to and properly take account of any requests or demands issued, in the current or in previous years, by the supervisory authority of financial reporting to ensure that the type of incident previously identified in such demands does not recur in the financial statements.

g) Oversee on a quarterly basis that the financial information published on the corporate website of the Company is regularly updated and matches the information authorized by the Board of Directors and published on the National Securities Market Commission website. Following the oversight, if the Committee is not satisfied with any aspect, it shall notify such aspect to the Board of Directors through its secretary.”

C) Supervision of the efficiency of the internal control of the Company

Article 10 of the referred Regulations of the Audit, Compliance and Related Parties Transactions Committee includes the key functions of the aforementioned Committee regarding the internal control and risk management systems:

“a) Receive regular reports from management on the functioning of existing systems and on the conclusions of any tests conducted on such systems by internal auditors or any other professional specifically engaged for this purpose, and on any significant internal control shortfall detected by the statutory auditor in the course of its statutory auditing work. As a result of this oversight the Committee may raise recommendations or proposals to the Board of Directors.

b) Oversee, at least on an annual basis, all risk policies and propose amendments thereof or the adoption of new policies to the Board of Directors.

c) Oversee that policies on the control and management of risks identify or determine at least:

i. The different types of financial and non-financial risks (financial, operational, strategic and compliance) affecting the Company and its Group, including financial or economic risks, contingent liabilities and other off-balance sheet risks

ii. The levels of risk that the Company and the Siemens Gamesa Group deem acceptable in accordance with the Corporate Governance Standards.

iii. The planned measures to mitigate the impact of identified risks, should they materialize.

iv. The information and internal control systems used to control and manage risks.

d) Supervise, at least on an annual basis, the key financial and non-financial risks and the level of tolerance established.

e) Supervise that the Risk Department participates in defining the risk strategy, in the correct functioning and effectiveness of the control systems and in mitigating the risks detected.

f) Hold, at least on an annual basis, a meeting with the officers heading up business units of the Group in order to explain the business trends and the related risks.”

g) Generally, oversee that the internal control policies and systems are effectively applied in practice by receiving reports from internal control and internal audit officers and from the executive management, reaching conclusions on the standard of confidence and reliability provided by the system, coupled with proposed improvements.”

D) Internal Audit Supervision and, in particular, according to Article 7 of the referred Regulations of the Audit, Compliance and Related Parties Transactions Committee:

a) Oversee the activities of the Internal Audit Department, which shall report functionally to the Committee.

b) Ensure the independence and effectiveness of the Internal Audit Department of the Company and its Group.

c) Approve the direction and annual plan of the Internal Audit Department, ensuring that it exercises its powers proactively and that its activities are mainly focused on significant risks to the Company and its Group (including reputational risks), as well as receive periodic information regarding the activities carried out by the Internal Audit Department.

d) Propose to the Board of Directors the budget for the Internal Audit Department, overseeing that both the Internal Audit Department and its personnel have sufficient resources, encompassing (internal and external) human resources and financial and technological resources, to carry out its work.

e) Approve the objectives of the Internal Audit Director and assess the performance of the Internal Audit Department, for which the Committee shall seek the opinion of the chief executive officer.

The conclusions of the assessment shall be notified to the Internal Audit Department and taken into account for the purpose of determining the variable components of the annual remuneration.

f) Receive regular information on the activities carried out by the Internal Audit Department of Siemens Gamesa and the companies of its Group and, particularly, on the implementation of the annual work plan, any issues found and an annual report, which shall include a summary of the activities carried out and reports issued over the year with the recommendations and action plans as well as the level of compliance with the recommendations made by the Internal Audit Department in its reports .

g) Oversee that Senior Management bears in mind the conclusions and recommendations of Internal Audit Department reports.”

One of the main purposes of the reports prepared by the Audit, Compliance and Related Party Transactions Committee is to bring to light any aspects that might involve qualifications in the audit report of SIEMENS GAMESA

and its Group, making any appropriate recommendations in order to avoid them. Said reports are submitted to the full Board of Directors prior to the approval of the financial information.

It should also be noted that the External Auditor appeared before the Audit, Compliance and Related Party Transactions Committee on several occasions during the fiscal year ended on September 30, 2020:

- appearance on October 29, 2019 in connection with the monitoring of statutory audit work for fiscal year 2019.
- appearance on November 14, 2019 in connection with the fees approved for the audit of fiscal year 2019 and non-audit services provided by the auditor.
- appearance on November 18, 2019 in connection with the audit of the annual accounts for fiscal year 2019.
- appearance on January 29, 2020 in connection with the review of the financial information for the first quarter of fiscal year 2020.
- appearance on February 11, 2020 in connection with the presentation of its Management Letter Comments.
- appearance on May 4, 2020 in connection with the fees agreed for the FY20 audit limited review of the half-yearly financial statements at March 31, 2020 and Non-Audit Services provided by auditor during Q1 and Q2 of FY20
- appearance on May 4, 2020 in connection with the limited review of the half-yearly financial statements at March 31, 2020.
- appearance on June 9, 2020 in connection with Audit Plan and presentation of audit works.
- appearance on July 24, 2020 in connection with the limited review of the financial statements as of June 30, 2020, and presentation of audit works.

The audit reports on the individual and consolidated annual accounts formulated by the Board of Directors have historically been issued without qualifications, as set forth in the information contained in the corporate website and in the information on SIEMENS GAMESA contained in the website of the CNMV.

As included later in section F ("Internal Risk Management and Control Systems related to the process of publishing financial information (ICFR)") in this Annual Corporate Governance Report 2020, SIEMENS GAMESA has a proper Internal Risk Management and Control system related to the process of publishing financial information (ICFRS).

C.1.29. Is the secretary of the Board also a director?

Yes

No

If the secretary is not a director, please complete the following table:

Name of the secretary	Representative
Garcia Fuente, Juan Antonio	N/A

C.1.30. State, if any, the concrete measures established by the entity to ensure the independence of its external auditors, financial analysts, investment banks, and rating agencies, including how legal provisions have been implemented in practice.

1. Mechanisms to preserve the independence of the auditor:

SIEMENS GAMESA has established a procedure for this purpose, called "Protection of auditor independence (Non-audit services)", which allows it to:

- Align the independence policies of SIEMENS GAMESA and Siemens AG (with Siemens AG until September 25, 2020, and with Siemens Energy AG afterwards) about the External Auditor's services in accordance with the requirements defined by the European Union and endorsed by regulatory bodies in Spain and Germany.

- Ensure that the policy and the limits for accepting or not accepting non-audit services are aligned also at group level (with Siemens AG until September 25, 2020, and with Siemens Energy AG afterwards).
- Provide a practical method of compliance with the requirements without needlessly asking SIEMENS GAMESA's Audit, Compliance and Related Party Transactions Committee to approve non-audit services that are considered insignificant for SIEMENS GAMESA, by means of the establishment of a pre-approved list by SIEMENS GAMESA's Audit, Compliance and Related Party Transactions Committee.
- All requests for services included in the pre-approved list are subject to review and approval by SIEMENS GAMESA's Director of Internal Audit, who, prior to giving approval, must confirm that the services are acceptable and included in the pre-approved list after a statement by the external auditor to the effect that said services are permissible under all applicable independence rules and standards. These services must subsequently be approved by Siemens AG (by Siemens AG until September 25, 2020, and by Siemens Energy AG afterwards).

In this regard, different approval levels are classified, specified (if there is a list of services) and defined both by the Audit, Compliance and Related Party Transactions Committee and by other departments, for the services provided by the external auditor:

- Audit services.
- Non-audit services:
 - Other verification services:
 - Reasonably related to the audit (pre-approved list).
 - Not reasonably related to the audit (individualized approval).
 - Prohibited services:
 - Tax services.
 - Other services.

SIEMENS GAMESA's Internal Audit Department is responsible for maintaining an appropriate and continuous register of non-audit services provided to SIEMENS GAMESA by the External Auditor throughout the fiscal year, together with the amount thereof and the percentage they represent of the total fees received for audit services during such fiscal year and must periodically report thereon at the meetings held by SIEMENS GAMESA's Audit, Compliance and Related Party Transactions Committee.

For this reason, the internal auditor and the external auditor appear before the full Audit, Compliance and Related Party Transactions Committee on a half-yearly basis in order to present an itemized list of each and every service provided during the period in question and to state that they are included in the pre-approved list.

It should also be pointed out that the External Auditor's total fees for Non-audit Services provided to SIEMENS GAMESA may not exceed 30% of the External Auditor's total fees for all Audit Services provided to SIEMENS GAMESA on a worldwide basis during the applicable fiscal year. However, if there is a convincing reason to hire the External Auditor for the provision of non-audit services beyond the aforementioned limit, and so long as it falls within the applicable limit under the law, said provision will be possible following individual approval by the Audit, Compliance and Related Party Transactions Committee.

Article 34 of the Regulations of the Audit, Compliance and Related Party Transactions Committee of SIEMENS GAMESA, and section 4 of the Statutory Auditor Hiring Policy govern the relations of said Committee with the External Auditor. The full texts are available at www.siemensgamesa.com.

2. Mechanisms to preserve the independence of financial analysts, investment banks and rating agencies:

SIEMENS GAMESA regulates this matter in its "Policy on Communication and Contacts with Shareholders, Institutional Investors and Proxy Advisors", the current version of which was approved by resolution of the Board of Directors on November 4, 2020, which establishes that the general principles are those of transparency, accuracy, equal treatment, promotion of ongoing information, collaboration, taking advantage of new technologies, and compliance with the provisions of law and the Corporate Governance Rules, as well as with the principles of cooperation and transparency with competent authorities, regulatory bodies and government administrations.

By application of said principles, the provision of information to financial analysts and investment banks and the presentation of results and of other relevant documents issued by the Company are carried out simultaneously for all of them after submission thereof to the CNMV, always in the strictest compliance with securities market regulations.

Specifically, in compliance with the CNMV's Recommendations of December 22, 2005 on informational meetings with analysts, institutional investors and other securities market professionals, SIEMENS GAMESA announces the meetings with analysts and investors at least seven calendar days in advance, indicating the date and time at which



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the meeting is scheduled to be held and any technical means (teleconference, webcast) which any interested party can use to follow the meeting in real time.

The documentation supporting the meeting is made available on the Company's website (www.siemensgamesa.com) before the beginning thereof. Finally, a recorded broadcast of the meeting is made available to investors for one month on the Company's website.

Spanish/English interpretation services are also made available to the participants.

Furthermore, road shows are periodically carried out in the most significant countries and financial markets, where individual meetings are held with all these market players. Their independence is protected by the existence of a contact person specifically assigned to them, who ensures objective, equal and non-discriminatory treatment.

Finally, the Company has various channels of communication and service to analysts and investors:

- E-mail on the corporate website (info_accionista@siemensgamesa.com for minority shareholders and irsg@siemensgamesa.com for institutional shareholders and financial analysts).
- Telephone line for shareholder information (+34 944 20 93 18).
- Periodic publications, information relating to quarterly results, corporate transactions, business prospects.
- In-person and recorded broadcasts of presentations.
- Mailing of releases and news.

C.1.31. State whether the company changed its external auditor during the year. If so, please identify the incoming and outgoing auditor:

Yes

No

Remarks

The General Meeting of Shareholders held on July 22, 2020, approved, under item twelve of the agenda to re-elect Ernst & Young, Sociedad Limitada as statutory auditor of Siemens Gamesa Renewable Energy, Sociedad Anónima and of its consolidated Group, providing audit services during the fiscal year running between 1 October 2019 and 30 September 2020.

If there were any disagreements with the outgoing auditor, please provide an explanation:

Yes

No

Explanation of disagreements

N/A

C.1.32. State whether the audit firm provides any non-audit services to the company and/or its Group and, if so, the fees paid and the corresponding percentage of total fees invoiced to the company and/or Group:

Yes

No

	Company	Group Companies	Total
Amount invoiced for non-audit services (thousand euros)	370	156	526
Amount invoiced for non-audit services/Amount for audit work (in %)	8.32	3.51	11.82

Remarks

The audit related fees such as “other attest services” and “other audit related attest services” have been considered as non-audit fees.

C.1.33. State whether the auditors’ report on the financial statements for the preceding year contains a qualified opinion or reservations. If so, please explain the reasons given by the chairman of the audit committee to explain the content and extent of the aforementioned qualified opinion or reservations.

Yes No

Explanation of reasons

N/A

C.1.34. State the number of consecutive years the current audit firm has been auditing the financial statements of the company and/or group. Furthermore, state the number of years audited by the current audit firm as a percentage of the total number of years that the financial statements have been audited:

	Individual	Consolidated
Number of consecutive years	7	7
	Individual	Consolidated
Number of years audited by the current audit firm/number of fiscal years the company has been audited (by %)	23.33%	23.33%

C.1.35. State whether there is a procedure whereby directors have the information necessary to prepare the meetings of the governing bodies with sufficient time and provide details if applicable:

Yes No

Explanation of procedure

The Company’s internal regulations regulate the procedure whereby directors have the information necessary to prepare the meetings of the governing bodies with sufficient time.

Thus, the Regulations of the Board of Directors provides on its article 26.3 when referring to the call that “*The call to convene shall be at least six business days in advance, will always include the meeting agenda and best efforts will be made so that the relevant information for the meeting is accompanied with the aforementioned advance of six business days. Exceptionally, information may be provided with a minimum period of at least three business days, the Board of Directors not being able to make a decision if such information has not been made available to the Directors with the aforementioned advance notice The Directors may exceptionally adopt a decision even if the information was not made available within the aforementioned period if they consider it beneficial and no Director opposes it.*”

On a similar sense, article 24.2 of the Regulations of the Audit, Compliance, and Related Party Transactions Committee states that “*The call to meeting, except in the case of emergency meetings, shall be issued at least three days in advance and include the agenda of the meeting.*”

Also, article 18.2 of the Regulations of the Appointments and Remunerations Committee provides that “*The call to meeting, except in the case of emergency meetings, shall be issued at least three days in advance and include the agenda of the meeting.*”

SIEMENS GAMESA's internal regulations set also that directors can receive external experts' support for the developments of their functions.

In this sense, pursuant to the provisions of article 36 of said Regulations of the Board of Directors:

"1. The Board of Directors may request the aid of legal, accounting and financial experts, as well as the other external experts at the Company's expense, when it is deemed necessary or beneficial for the performance of its competencies.

2. Non-executive Directors, in order to be aided in the performance of their duties, may also request contracting external experts at the Company's expense.

3. The contracting request must be drawn up by the Chairman."

On similar terms, article 37 of the referred Regulations of the Audit, Compliance and Related Party Transactions Committee provides that *"in order to be aided in the performance of their duties, the Committee may request the engagement of legal, accounting and financial consultants, as well as the aid of other experts at the Company's expense. The Committee shall provide an annual report to the Board of Directors on the expenses incurred."*

Article 27 of the referred Regulations of the Appointments and Remunerations Committee provides that *"in order to be aided in the performance of their duties, the Committee may request the engagement of legal consultants or other experts. The Committee shall provide an annual report to the Board of Directors on the expenses incurred, subject, if the Board of Directors so deems appropriate, to a review of the Audit, Compliance and Related Party Transactions Committee with the support of the internal audit function, if any.*

2. The Committee shall ensure that potential conflicts of interest the of external professionals do not prejudice the independence of the outside advice received."

For supporting the procedures described above, the Directors access to the documentation through a secure and efficient software tool named *Diligent Boards* tool where they can review the information deemed appropriate for preparation of the meetings of the Board of Directors and the committees thereof in accordance with each agenda. Directors have access to the call to the meetings, documentation uploaded concerning the Items of the agenda, as well as the minutes of the proceeding session.

C.1.36. State whether the company has established rules whereby directors must provide information regarding and, if applicable, resign, in circumstances that may damage the company's standing and reputation. If so, provide details:

Yes

No

Explain the rules

As stated in section C.1.19 above, article 16 of the Regulations of the Board of Directors provides the instances in which Directors must tender their resignation to the Board of Directors and formalize it, if the Board of Directors sees fit.

These include instances that might damage the credit or reputation of the Company.

Specifically, Directors must proceed in the manner indicated:

- (i) *"When, due to circumstances beyond their control, they are involved in cases of incompatibility or prohibition as set forth by law or the Corporate Governance Standards."* (article 16.2.d).
- (ii) *"Whenever they are brought to trial for a supposedly criminal act or a court ruling is passed against them to open a trial for any of the offenses set forth in the provisions of the Capital Company Act related to the prohibitions on being a Director, or whenever they are involved in a sanction for a serious or very serious offense brought by supervisory authorities."* (article 16.2.e).
- (iii) *"Whenever they are issued a serious warning by the Board of Directors or are sanctioned for a serious or very serious offense by a public authority for having breached their duties as Directors in the Company."* (article 16.2.f).
- (iv) *"Whenever their continuity on the Board of Directors could put the Company's interests at risk (...)." (article 16.2.g).*



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(v) “When, due to acts attributable to the Director acting in his/her capacity as such, cause significant damage to the Company’s assets, or the reputation of the Company, or result in the loss of the business and professional reputation and credibility required for being a Director of the Company.” (article 16.2.h).

(vi) “When there are situations that affect them, whether or not related to their conduct within the Company itself, that might harm the good standing or reputation of the Company and its Group.” (article 16.2.i)

For its part, article 35.2.d) of said Regulations of the Board of Directors provides that a Director must inform the Company of “any legal, administrative or any other type of proceedings that are filed against the Director, and which, due to their significance or characteristics, may negatively affect the reputation of the Company. Particularly, Directors must promptly inform the Company, through the Chairman, if he/she is accused in any criminal proceeding and of the occurrence of any significant procedural steps in such proceedings.

In this case, the Board of Directors, following the report by the Appointments and Remunerations Committee, will examine the case as soon as possible, and take the measures it considers the most appropriate regarding the interests of the Company, such as opening an internal investigation, requesting the resignation of the director or proposing the removal thereof.

The Company shall report the adoption of said measures in the Annual Corporate Governance Report, unless there are special circumstances that justify not doing so, which must be recorded in the minutes of the Board.”

C.1.37. State whether any member of the Board of Directors has notified the company that he or she has been tried or notified that legal proceedings have been filed against him or her, for any offences described in Article 213 of the LSC:

Yes

No

Name of director	Criminal charge	Remarks
N/A	N/A	N/A

State whether the Board of Directors has examined the case. If so, explain in detail the decision taken as to whether the director in question should continue in his or her post or, if applicable, describe any actions taken by the Board up to the date of this report, or which it intends to take.

Yes

No

Decision/Action taken	Explanation
N/A	N/A

C.1.38. Detail any material agreements entered into by the company that come into force, are modified or are terminated in the event of a change in control of the company following a public takeover bid, and their effects.

According to the terms of the framework agreement dated December 21, 2011 (significant event 155308) between IBERDROLA, S.A. and the subsidiary of SIEMENS GAMESA RENEWABLE ENERGY, S.A. (SIEMENS GAMESA), SIEMENS GAMESA RENEWABLE ENERGY EOLICA, S.L Sole Shareholder Company, a change of control in SIEMENS GAMESA will permit IBERDROLA, S.A. to terminate the framework agreement, and neither party may make any claims subsequently.

On June 17, 2016, effective April 3, 2017, SIEMENS GAMESA and Siemens AG signed a strategic alliance agreement, featuring a strategic supply contract (the “2017 Strategic Supply Agreement”) by virtue of which Siemens AG became the strategic supplier of gearboxes, segments, and other products and services offered by SIEMENS GAMESA group. In anticipation of the Spin-Off (as defined below), in relation to which either party would be entitled to terminate the 2017 Strategic Supply Agreement, on May 20, 2020 entered into an Extension and Amendment Agreement to the 2017 Strategic Supply Agreement (which entered into force on the date of the Spin-Off) setting out a fixed contractual term of 4 years (+1 optional).



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On August 1, 2018 (as amended), SIEMENS GAMESA and Siemens AG entered into an external services agreement for procurement area by virtue of which, during an initial period of 1 year for sourcing services, and 2 years for other procurement services, SIEMENS GAMESA group shall benefit from the collective negotiation strength. Such agreement will be in force while Siemens AG remains as mayor shareholder of SIEMENS GAMESA. Therefore, in case of change of control, both parties are entitled to terminate the agreement with a 3 months prior notice.

On May 30, 2018 SIEMENS GAMESA executed a Syndicated Multi-Currency Term and Revolving Credit Facility with a group of domestic and international banks (Significant Event 266275). In the event that any person or group of persons in a concerted manner (a) hold, directly or indirectly, more than 50% of the share capital of SIEMENS GAMESA; or (b) have the right to appoint the majority of members of the Board of Directors, and therefore exercise control over the Company, each of the participating financial entities may negotiate in good faith for a period of 30 days the maintenance of its commitments derived from the contract. In the event that an agreement is not reached, the financial entity(ies) in question may cancel all or part of the commitments acquired and require full or partial prepayment of their participation in the financing.

On May 20, 2020, SIEMENS GAMESA and Siemens Energy AG ("SEAG") signed a Framework Agreement which entered into force on the date of the consummation and legal effectiveness of the Spin-Off (i.e the separation by Siemens AG of its worldwide energy business through carve-out measures). The Framework Agreement sets out (i) certain rights and obligations and related matters concerning the relationship of the parties after the Spin-Off; (ii) certain principles applicable to the provision of services between SIEMENS GAMESA and Siemens AG after the merger; and (iii) includes mandatory items to be complied with by SIEMENS GAMESA for the purposes of meeting and complying with Siemens Energy Group Requirements. The Framework Agreement contains a termination event whereby it may be terminated by the Parties at such time that SEAG ceases to be a Controlling shareholder in SIEMENS GAMESA whereby Control is defined as SEAG holding the majority of voting rights in SIEMENS GAMESA or having the right to appoint the majority of its board members.

On May 20, 2020, SIEMENS GAMESA and Siemens AG entered into a licensing agreement ("Licensing Agreement") pursuant to which SIEMENS GAMESA is entitled to use the "Siemens" brand subject to certain conditions. This Licensing Agreement entered into force on the date of the Spin-Off. According to the Licensing Agreement, SIEMENS GAMESA and certain of its subsidiaries (by way of sub-licenses that SIEMENS GAMESA may grant under the Licensing Agreement subject to certain conditions) shall be granted the exclusive right to use the combination "Siemens Gamesa" in their corporate names (provided SIEMENS GAMESA and the respective subsidiaries conduct only such business activities covered by the Licensing Agreement) and as corporate and product brand, as well as "SGRE" as an abbreviation of the corporate name. The Licensing Agreement has an initial term of ten years and can be extended. Siemens AG has the right to terminate the Licensing Agreement in a number of instances, including if SEAG loses control over SIEMENS GAMESA.

On May 20, 2020, SIEMENS GAMESA and Siemens Gas and Power GmbH & Co KG (currently named Siemens Energy Global GmbH & Co. KG) entered into a strategic alliance agreement (the "Strategic Alliance Agreement") which entered into force on the date of the Spin-Off. The aim of the Strategic Alliance Agreement is generating additional volumes of business for both parties as well as establishing a general cooperation in various areas. The Strategic Alliance Agreement establishes various relationships between the parties which are further specified in separate implementation agreements. For example, it establishes SEAG as strategic supplier of SIEMENS GAMESA with regard to the supply of transformers related to the wind power business, as further specified in a strategic supply agreement. Both parties are entitled to terminate the Strategic Alliance Agreement as well as the Implementing Agreements following any occurrence of a Change of Control over SIEMENS GAMESA.

Finally, it shall be pointed out the as is customary for large electricity supply infrastructure projects, there are contracts with clients which regulate a supposed change in control, thereby providing each reciprocal power to terminate them should such a situation arise, especially in cases in which the new controlling party is the other party's competitor.

- C.1.39. Identify individually for director, and generally in other cases, and provide detail of any agreements made between the company and its directors, executives or employees containing indemnity or golden parachute clauses in the event of resignation or dismissal or termination of employment without cause following a takeover bid or any other type of transaction.

Number of beneficiaries	88
Type of beneficiary	Description of agreement
CEO, Top Management, Managers, and Employees.	CEO (1 agreement): The CEO, as executive director and in compliance with the "Policy of remuneration of directors" approved by the General



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Meeting of Shareholders held on 27 March 2019, as amended by the General Meeting of Shareholders held on July 22, 2020, has a one-year fixed salary severance pay.

Top management (6 agreements): The policy currently applied by the Company to the Top Management recognizes the right to receive a severance pay equal to one year of fixed remuneration in case of termination of the relationship provided that it is not a result of a breach attributable thereto or solely to the desire thereof.

Managers and Employees (81 agreements): The agreements with managers and employees of SIEMENS GAMESA do not contain, as a general rule, specific severance payment clauses, so in case of termination of the labor relationship the general rule established under labor law shall apply. However, the Company has specific severance payment clauses agreed with some managers and employees. The severance payment amount is generally fixed depending on seniority and the remuneration and professional conditions of each of them and the reason for the termination of the manager or employee. A lot of these agreements have been agreed in jurisdictions where this severance pay is a common labor market practice. The warranty clauses of these agreements are lower than one-year fixed salary in 77% of cases.

State if these contracts have been communicated to and/or approved by management bodies of the company or of the Group. If they have, specify the procedures, events and nature of the bodies responsible for their approval or for communicating this:

	Board of Directors	General Shareholders' Meeting	
		YES	NO
Body authorising the severance clauses	X		
Are these clauses notified to the General Shareholders' Meeting?		X	

Remarks

In relation to the information provided regarding the CEO it shall be pointed out that his contract, and as included in the Annual Report about the Remunerations of the Members of the Board, provides for a post-contractual non-competition obligation for a term of 1 year, which is remunerated with the payment of one year of his fixed remuneration payable 50% upon termination and the other 50% after the passage of six months from termination. Therefore, the total severance pay is aligned with best practices and in fulfillment of Recommendation 64 of the Good Governance Code of Listed Companies.

It is also mentioned that the Board of Directors must authorize the clauses related to the CEO and Top Management but not those related to the rest of beneficiaries.

Finally, it is pointed out that the information about these clauses is notified to the General Meeting of Shareholders with the Annual Corporate Governance Report, the Annual Report on Remunerations of Directors, and the Directors Selection Policy (amended as "Board of Directors Diversity and Director Selection Policy of Siemens Gamesa Renewable Energy, S.A.") available to the shareholders when the meeting is called.

C.2. Committees of the Board of Directors

C.2.1. Provide details of all committees of the Board of Directors, their membership, and the proportion of executive, proprietary, independent and other external directors that comprise them:

DELEGATED EXECUTIVE COMMITTEE

Name	Post	Category
López Borrego, Miguel Angel	Chairman	Proprietary
Nauen, Andreas	Member	Executive
Holt, Tim Oliver	Member	Proprietary
Krämmmer, Rudolf	Member	Independent
% of executive directors		25%
% of proprietary directors		50%
% of independent directors		25%
% of external directors		0%

Remarks

It is also stated that Mr. Juan Antonio García Fuente holds the position of Secretary non-member of the Delegated Executive Committee.

Explain the duties exercised by this committee, other than those that have already been described in Section C.1.10 and describe the rules and procedures it follows for its organisation and function. For each one of these functions, briefly describe its most important actions during the year and how it has exercise in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

The Board of Directors of SIEMENS GAMESA unanimously agreed on August 5, 2020 to activate its Delegated Executive Committee, with its current composition as communicated as Other Relevant Information (*Otra Información Relevante*) (with registration number 4015) to the CNMV on August 6, 2020.

Duties:

The Delegated Executive Committee shall not be delegated with all the powers of the Board of Directors but only with the powers specifically delegated to it by the Board of Directors. In particular, the Committee will have the functions contemplated in Chapter II of the Regulations of the Delegated Executive Committee, approved by resolution of the Board of Directors dated November 4, 2020, except those which cannot be delegated by law or the bylaws at any given time.

Articles 5 to 7 of Chapter II of said Regulations of the Delegated Executive Committee establish the functions of this Committee. The full texts of the internal rules of the Company are available at www.siemensgamesa.com.

The main duties of the Delegated Executive Committee relate to monitoring and supervision of budgetary matters, business performance, corporate transactions, strategic matters and capital and liquidity as well as to preliminary analyze the proposals to the Board of Directors regarding its reserved matters. Moreover, the Delegated Executive Committee has decision-making powers in relation to such matters and mandates delegated by the Board of Directors.

Composition:

- a) The Committee shall comprise a minimum of four and a maximum of eight directors, at least two of whom must be non-executive and at least one independent.



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- b) The Board of Directors on its own initiative based on a report from the Appointments and Remunerations Committee or at the proposal thereof, shall establish the number of members.
- c) The Chairman of the Board of Directors and the Chief Executive Officer of the Company shall form part of the Committee.
- d) Members of the Committee shall be appointed and removed by the Board of Directors.
- e) The members of the Committee shall be appointed for a maximum term of four years and can be re-elected one or more times for terms of equal duration.
- f) The appointment of the Committee members and the permanent delegation of powers thereto shall be made by the Board of Directors with the favourable vote of at least two-thirds of its members. Their re-election shall be carried out at the time, in the form and with the number decided by the Board of Directors, in accordance with the rules envisaged in the Corporate Governance Standards.
- g) The Committee shall be chaired by the Chairman of the Board of Directors.
- h) In his absence, one of the vice chairmen of the Board of Directors member of the Committee (if any) shall act as the Chairman and, in their absence, the director that the Committee designates at the meeting in question from among the attending members shall act as the chair.
- i) The Committee's secretary shall be the secretary of the Board of Directors and, failing this, one of its vice secretaries and, failing all of them, the director that the Committee designates at the meeting in question from among the attending members shall act as the secretary.
- j) Members of the Committee shall no longer hold their office when they cease to be directors of the Company or by resolution of the Board of Directors.

Functioning:

- a) The Committee shall meet as often as necessary to perform its duties, at least once a month, after the Chairman convenes the meeting. Meetings shall also be held whenever at least two of the members so request.
- b) The Chairman shall convene the Committee, in any case, whenever the Board of Directors so requests, and shall in any event ensure that the meetings are held sufficiently in advance of meetings of the Board of Directors, especially when matters to be decided by the Board of Directors are to be discussed.
- c) The call to convene, except in the case of emergency meetings, shall be issued at least three business days in advance and include the agenda of the meeting.
- d) It will not be necessary to convene the Committee when all members are present and unanimously agree to hold a meeting.
- e) Resolutions shall be adopted by the absolute majority of members present at the meeting.
- f) If there is an even number of Committee members and the outcome of the voting is a draw, the Chairman, or the person standing in for him at the meeting in question, shall have the casting vote.

Most important activities:

During fiscal year 2020, the Delegated Executive Committee has held only one meeting.

AUDIT, COMPLIANCE AND RELATED PARTY TRANSACTIONS COMMITTEE

Name	Post	Category
von Heynitz, Harald	Chairman	Independent
Ferraro, Maria	Member	Proprietary
Hernández García, Gloria	Member	Independent
Krämmmer, Rudolf	Member	Independent
% of proprietary directors		25%
% of independent directors		75%
% of external directors		0%

Remarks

It is also stated that Mr. Juan Antonio García Fuente holds the position of Secretary non-member of the Audit, Compliance and Related Party Transactions Committee.

Furthermore, the changes occurring within the Audit, Compliance and Related Party Transactions Committee during the fiscal year are described below:

At its meeting of February 10, 2020 and in accordance with Notice of Other Relevant Information (*Otra Información Relevante*) (with registration number 11) sent to the CNMV on 10 February 2020 the Board of Directors approved the appointment on an interim basis (co-option), upon a proposal from the Appointments and Remunerations Committee, of Mr. Harald von Heynitz as a new member of the Board of Directors, and also approved, upon a proposal from the Appointments and Remunerations Committee, the appointment of Mr. Harald von Heynitz as a new member of the Audit, Compliance and Related Party Transactions Committee. At the General Meeting of Shareholders held on July 22, 2020, the shareholders ratified the appointment of Mr. Harald von Heynitz and approved his re-election as an independent director. Mr. von Heynitz was appointed as chair of the Audit, Compliance and Related Party Transactions Committee on February 12, 2020 to replace Mr. Rudolf Krämmmer, in accordance with Notice of Other Relevant Information (*Otra Información Relevante*) (with registration number 51) sent to the CNMV on February 12, 2020.

At the referred meeting of February 10, 2020 and in accordance with Notice of Other Relevant Information (*Otra Información Relevante*) (with registration number 11) sent to the CNMV on February 10, 2020, the Board of Directors approved the appointment on an interim basis (co-option), following the report by the Appointments and Remunerations Committee, of Mr. Tim Oliver Holt as a new member of the Board of Directors, and also approved, following the report by the Appointments and Remunerations Committee, the appointment of Mr. Tim Oliver Holt as a new member of the Audit, Compliance and Related Party Transactions Committee. The Board of Directors at its meeting of May 5, 2020 and in accordance with Notice of Other Relevant Information (*Otra Información Relevante*) (with registration number 1999) sent to the CNMV on May 5, 2020, approved that its Audit, Compliance and Related Party Transactions Committee would be composed of four members (until such date it was composed of five members) and also agreed the replacement as member of said committee of Mr. Tim Oliver Holt, after having presented his resignation, by Ms. Maria Ferraro. At the General Meeting of Shareholders held on July 22, 2020, the shareholders ratified the appointment of Mr. Tim Oliver Holt and approved his re-election as a proprietary director.

On February 23, 2020, and in accordance with Notice of Other Relevant Information (*Otra Información Relevante*) (with registration number 200) sent to the CNMV on February 24, 2020, Mr. Alberto Alonso Ureba resigned as member of the Board of Directors, and as member of the Audit, Compliance and Related Party Transactions Committee.

At its meeting of May 5, 2020 and in accordance with Notice of Other Relevant Information (*Otra Información Relevante*) (with registration number 1994) sent to the CNMV on May 5, 2020 the Board of Directors approved the appointment on an interim basis (co-option), following the report by the Appointments and Remunerations Committee, of Ms. Maria Ferraro as a new member of the Board of Directors, and also approved, following the report by the Appointments and Remunerations Committee, the appointment of Ms. Maria Ferraro as a new member of the Audit, Compliance and Related Party Transactions Committee in replacement of Mr. Tim Oliver Holt, as stated above. At the General Meeting of Shareholders held on July 22, 2020, the shareholders ratified the appointment of Ms. Maria Ferraro and approved her re-election as a proprietary director.

Explain the duties exercised by this committee, describe the rules and procedures it follows for its organization and function. For each one of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

Duties:

The Audit, Compliance and Related Party Transactions Committee of SIEMENS GAMESA is a permanent internal body of the Board of Directors for information and consultation, entrusted with informing, advising and making recommendations.

Articles 5 to 14 of Chapter II of the Regulations of the Audit, Compliance and Related Party Transactions Committee, establish the functions of this Committee. The full texts of the internal rules of the Company are available at www.siemensgamesa.com.

The functions of the Audit, Compliance and Related Party Transactions Committee mainly relate to supervision of the Company's internal audit, review of the systems for internal control of the preparation of economic/financial and non-financial information, the audit of accounts, related party transactions and regulatory compliance upon the terms set forth in its regulations.

Composition:

- a) The Committee shall comprise a minimum of three (3) and a maximum of five (5) non-executive Directors, a majority of whom must be independent directors, appointed for a maximum term of four (4) years by the Board of Directors, upon a proposal from the Appointments and Remunerations Committee and can be re-elected one or more times for terms of equal duration.
- b) The Board shall encourage the diversity of composition, especially in relation to gender, career experience, skills, sector-specific knowledge and geographical origin, and that at least one of the independent directors is appointed taking into account his or her knowledge and experience in accounting, auditing and risk management.

Without prejudice to the foregoing, the Board of Directors and the Appointments and Remunerations Committee shall endeavor to ensure that the members of the Committee as a whole, and especially its chair, have the expertise, qualifications and experience appropriate for the duties they are called upon to perform in the area of accounting, auditing and risk management, both financial and non-financial.

- c) The Committee shall choose its Chair from among the independent directors, for a maximum term of 4 years, at the end of which the director holding the position cannot be re-elected as Chair until the term of one year has elapsed from ceasing to hold this office; and a Secretary thereof, who need not be a Director.
- d) The members shall no longer hold their office: a) when they cease to be non-executive directors of the Company; b) when independent directors lose that office, if this means the number of independent directors on the Committee is less than the majority; and c) when agreed on by the Board of Directors.
- e) Members of the Committee that are re-elected as Directors of the Company shall continue to serve on the Committee unless the Board of Directors decides otherwise.

Functioning:

- a) The Committee shall meet as often as necessary to perform its duties, at the Chair's behest and, in any case, the Committee shall have a minimum of four annual meetings. Meetings shall also be held whenever two of the members so request.
- b) The Committee shall be validly constituted when more than half of its members are present or represented at the meeting.
- c) Resolutions shall be adopted by the absolute majority of members present at the meeting. In the event of a tie, the Chairman will have the casting vote.
- d) When the issues to be dealt with during the Committee meetings directly affect some of its members or individuals related thereto and, in general, when this member enters into a conflict of interest, he/she must leave the meeting until the decision is made, being removed from the number of members of the Committee, to calculate the quorum and majorities related to the item in question.



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Most important activities:

During fiscal year 2020, the Audit, Compliance and Related Party Transactions Committee has been informed of all matters that are within its purview, and in this context has satisfactorily performed the duties assigned thereto by law, the By-Laws, the Regulations of the Board of Directors and its own Regulations governing its organization and operation. Its most important activities during the fiscal year are included in the annual activities report of the Audit, Compliance and Related Party Transactions Committee, which is made available to the shareholders on the corporate website on occasion of the call to the General Meeting of Shareholders.

Identify the directors who are member of the audit committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date that the Chairperson of this committee was appointed.

Name of directors with experience	von Heynitz, Harald
	Ferraro, Maria
	Hernández García, Gloria
	Krämmmer, Rudolf
Date of appointment of the chairperson	February 12, 2020

APPOINTMENTS AND REMUNERATIONS COMMITTEE

Name	Post	Category
Krämmmer, Rudolf	Chairman	Independent
von Heynitz, Harald	Member	Independent
Rosenfeld, Klaus	Member	Independent
von Schumann, Mariel	Member	Proprietary
% of proprietary directors		25%
% of independent directors		75%
% of external directors		0%

Remarks

It should also be pointed out that Mr. Salvador Espinosa de los Monteros Garde holds the position of Secretary non-member of the Appointments and Remunerations Committee since his appointment dated July 15, 2020, in accordance with Notice of Other Relevant Information (*Otra Información Relevante*) (with registration number 3412) sent to the CNMV on July 15, 2020, and after the resignation, with effects on February 23, 2020, of Mr. Carlos Rodríguez-Quiroga Menéndez as Secretary member of the Board of Directors, and as Secretary non-member of the Appointments and Remunerations Committee, in accordance with Notice of Other Relevant Information (*Otra Información Relevante*) (with registration number 199) sent to the CNMV on February 24, 2020.

Furthermore, the changes occurring within the Appointments and Remunerations Committee during the fiscal year are described below:

On February 5, 2020, and in accordance with Notice of Significant Event (*Hecho Relevante*) (with registration number 286549) sent to the CNMV on February 5, 2020, Mr. Pedro Azagra Blázquez resigned as member of the Board of Directors, and as member of the Appointments and Remunerations Committee.



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At its meeting of February 10, 2020 and in accordance with Notice of Other Relevant Information (*Otra Información Relevante*) (with registration number 11) sent to the CNMV on February 10, 2020, the Board of Directors approved the appointment on an interim basis (co-option), upon a proposal from the Appointments and Remunerations Committee, of Mr. Harald von Heynitz as a new member of the Board of Directors, and also approved, upon a proposal from the Appointments and Remunerations Committee, the appointment of Mr. Harald von Heynitz as a new member of the Appointments and Remunerations Committee. At the General Meeting of Shareholders held on July 22, 2020, the shareholders ratified the appointment of Mr. Harald von Heynitz and approved his re-election as an independent director.

With effects on February 23, 2020, and in accordance with Notice of Other Relevant Information (*Otra Información Relevante*) (with registration number 200) sent to the CNMV on February 24, 2020, Mr. Andoni Cendoya Aranzamendi resigned as member of the Board of Directors, and as member and Chairman of the Appointments and Remunerations Committee.

In addition, at its meeting of April 23, 2020 and in accordance with Notice of Other Relevant Information (*Otra Información Relevante*) (with registration number 1714) sent to the CNMV on April 23, 2020, Mr. Rudolf Krämmer was appointed as chair of the Appointments and Remunerations Committee to cover the vacancy after the resignation of Mr. Andoni Cendoya Aranzamendi referred above.

Explain the duties exercised by this committee, describe the rules and procedures it follows for its organization and function. For each one of these functions, briefly describe its most important actions during the year and how it has exercise in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

Functions:

This committee is a permanent internal body of the Board of Directors, without executive duties, for information and consultation, entrusted with informing, advising and making recommendations on matters within its purview.

Articles 5 to 9 of Chapter II of the Regulations of the Appointments and Remunerations Committee establish the functions of this Committee. In particular, this committee has the essential function of supervising the composition and functioning as well as the evaluation of the Board of Directors, its committees and its members, and the remuneration of the Board of Directors and of the Top Management of the Company.

The full texts of the internal rules of the Company are available at www.siemensgamesa.com.

Composition:

- a) The Committee shall comprise a minimum of three (3) and a maximum of five (5) Non-Executive Directors, at least two of whom must be independent directors, appointed for a maximum term of four (4) years by the Board of Directors, upon a proposal from the Appointments and Remunerations Committee, and may be re-elected one or more times for terms of equal duration.
- b) The Committee chooses its Chair from among the independent directors and a Secretary, who need not be a director.
- c) The members shall no longer hold their office: a) when they cease to be non-executive directors of the Company; b) when independent directors lose that office, if this means the number of independent directors on the Committee is less than two; and c) when agreed on by the Board of Directors.
- d) Members of the Committee that are re-elected as Directors of the Company shall continue to serve on the Committee unless the Board of Directors decides otherwise.

Functioning:

- a) The Committee shall meet as often as necessary to perform its duties, at the Chairman's behest, at least three times per year. Meetings shall also be held whenever at least two of the members so request.
- b) The Committee shall be validly constituted when more than half of its members are present or represented at the meeting.
- c) Resolutions shall be adopted by the absolute majority of members present at the meeting.



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- d) When the issues to be dealt with during the Committee meetings directly affect some of its members or individuals related thereto and, in general, when this member enters into a conflict of interest, he/she must leave the meeting until the decision is made, being removed from the number of members of the Committee, to calculate the quorum and majorities related to the item in question.

Most important activities:

During fiscal year 2020, the Appointments and Remunerations Committee has been informed of all matters that are within its purview, and in this context has satisfactorily performed the duties assigned thereto by law, the By-Laws, the Regulations of the Board of Directors and its own Regulations governing its organization and operation. Its most important activities during the fiscal year are included in the annual activities report of the Appointments and Remunerations Committee, which is made available to the shareholders on the corporate website on occasion of the call to the General Meeting of Shareholders.

- C.2.2. Complete the following table with information regarding the number of female directors who were members of Board committees at the close of the past four years:

	Number of female directors							
	Year t		Year t-1		Year t-2		Year t-3	
	Number	%	Number	%	Number	%	Number	%
Delegated Executive Committee	0	0.00%	N/A		N/A		N/A	
Audit, Compliance and Related Party Transactions Committee	2	50.00%	1	33.33%	2	66.67%	2	100.00%
Appointments and Remunerations Committee	1	25.00%	1	20.00%	3	60.00%	3	60.00%

- C.2.3. State, where applicable, the existence of any regulations governing Board committees, where these regulations may be found, and any amendments made to them during the year. Also state whether any annual reports on the activities of each committee have been voluntarily prepared.

Delegated Executive Committee

The Delegated Executive Committee is governed by the By-Laws, the Regulations of the Board of Directors, and its own Regulations of the Delegated Executive Committee, which are available to interested parties on the Company's website (www.siemensgamesa.com).

The Regulations of the Delegated Executive Committee were approved by resolution of the Company's Board of Directors dated November 4, 2020.

The current text of the Regulations of the Delegated Executive Committee is available in subsection "Committees of the Board" of the section "Corporate Governance" within "Investors and Shareholders" heading of the Company's website (www.siemensgamesa.com).

Audit, Compliance and Related Party Transactions Committee

The Audit, Compliance and Related Party Transactions Committee is governed by the By-Laws, the Regulations of the Board of Directors and its own Regulations of the Audit, Compliance and Related Party Transactions Committee, which are available to interested parties on the Company's website (www.siemensgamesa.com).

The Regulations of the Audit and Compliance Committee were approved by the Company's Board of Directors on September 29, 2004 and were subsequently amended on October 21, 2008; April 15, 2011; January 20, 2012; March 24, 2015; and February 22, 2017.


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On April 4, 2017 the Board of Directors approved a revised version of said Regulations and changed the name of the Committee to the Audit, Compliance and Related Party Transactions Committee.

The Company's Board of Directors approved an amendment of the restated text of said Regulations on March 23, 2018 and endorsed a restated text on July 26, 2018.

Moreover, the Company's Board of Directors endorsed new restated texts of the Regulations on February 19, 2020, and August 5, 2020. The first of the aforementioned two last amendments of the Regulations of the Audit, Compliance and Related Party Transactions Committee, carried out during 2020 fiscal year was executed in order to establish that the Chair of the Committee shall have the casting vote in the event of a tie; and the second was executed in order to eliminate the restriction which impeded the members of the Delegated Executive Committee to be on the Audit, Compliance and Related Party Transactions Committee.

Finally, the Company's Board of Directors endorsed a new consolidated text of the Regulations of the Audit, Compliance and Related Party Transactions Committee, by resolution dated November 27, 2020 amending the articles referred to its functions, composition and functioning, and relations with other bodies in accordance with the new Recommendations of the Good Governance Code for Listed Companies.

The current text of the Regulations of the Audit, Compliance and Related Party Transactions Committee is available in subsection "Committees of the Board" of the section "Corporate Governance" within "Investors and Shareholders" heading of the Company's website (www.siemensgamesa.com).

Appointments and Remunerations Committee

The Appointments and Remunerations Committee is governed by the By-Laws, the Regulations of the Board of Directors and its own Regulations of the Appointments and Remunerations Committee, which are available to interested parties on the Company's website (www.siemensgamesa.com).

The Regulations of the Appointments and Remunerations Committee were approved by the Company's Board of Directors on April 4, 2017 and subsequent amendments thereof were approved by the Board of Directors on July 26, 2018 and July 29, 2019.

Likewise, the Company's Board of Directors endorsed a new consolidated text of the Regulations of the Appointments and Remunerations Committee, by resolution dated November 27, 2020 amending the articles referred to its functions in accordance with the new Recommendations of the Good Governance Code for Listed Companies.

The current text of the Regulations of the Appointments and Remunerations Committee is available in subsection "Committees of the Board" of the section "Corporate Governance" within "Investors and Shareholders" heading of the Company's website (www.siemensgamesa.com).

D. RELATED-PARTY AND INTRAGROUP TRANSACTIONS

D.1. Describe, if applicable, the procedure for approval of related-party and intragroup transactions.

Article 33 of the Regulations of the Board of Directors regulates the transactions of the Company and the Group with Directors, significant shareholders or their related persons establishing the procedure for the approval of such transactions.

Its two first paragraphs establish the requirement of the approval of said transactions by the Board of Directors, after receiving a report from the Audit, Compliance and Related Party Transactions Committee. The Board of Directors shall thereby endeavor to ensure that transactions with related parties are carried out in accordance with the corporate interest, on arms'-length terms, ensuring transparency in the process and observing the principle of equal treatment of shareholders in the same condition and according to applicable law.

Further to the above and according to paragraph 2 of article 33 of said Regulations of the Board of Directors, the Board of Directors approved on the meeting held on July 26, 2018, the "Policy regarding related party transactions with directors, significant shareholders and parties related thereto" (the "Policy"), which is included in the Corporate Governance Rules of SIEMENS GAMESA, and is available on the corporate website (www.siemensgamesa.com).

Further, in case of transactions which are qualified as material according the referred Policy, paragraph 3 sets forth the need of an independent expert report, which shall be at the disposal of the Board of Directors before approval of the relevant transaction. Paragraph 4 of article 33 deals with cases of transactions within the ordinary course of business that are customary and recurring and executed at market prices, as well as cases so determined by the Policy, for which a general prior framework approval by the Board of Directors, after receiving a favourable report from the Audit, Compliance and Related Party Transactions Committee, may be sufficient. As stipulated in paragraph 5 of article 33, the approval by the Board of Directors shall not be required if such transactions simultaneously meet all of the following three requirements: (i) they are conducted under contracts whose terms and conditions are standardized and apply on an across-the-board basis to a large number of customers; (ii) they are conducted at prices or rates established on a general basis by the party acting as supplier of the goods or services in question; and (iii) the amount thereof does not exceed one per cent of the annual revenue of the Company based on the audited annual accounts for the last fiscal year ended on the date of the transaction in question. Finally, according to Paragraph 6 of article 33, the authorization of a related-party transaction will be necessarily agreed by the General Meeting of Shareholders when the value of a related party transaction exceeds 10% of the corporate assets appearing on the last approved and audited consolidated balance sheet.

The conclusion of a related-party transaction with a Director, or a related person to a Director, would put that Director in a conflict of interest situation, and consequently the article 31 of the Regulations of the Board of Directors will apply where appropriate.

It shall be also pointed out that paragraph b) of article 13 of the Regulations of the Audit, Compliance and Related Party Transactions Committee points out that the referred Committee shall have, among others, as main purpose: "report, prior to their authorization by the Board of Directors or the General Shareholders' Meeting, as appropriate, any operations or transactions that could represent conflicts of interests:

(i) with the Company and companies of its Group;

(ii) with directors of the Company and the Group and their related parties;

(iii) with shareholders that have a significant holding or are represented on the Board of Directors and their related parties;

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(iv) with senior management and other managers, except if those are part of any company of the Group that has created an audit committee, in which case that committee will be in charge of elaborating the corresponding report, having to inform the Committee; as well as

(v) any other relevant transaction related thereto, unless unnecessary in accordance with the law or the Corporate Governance Standards.

The Committee shall be able to rely on the corresponding advice of the internal units or departments of the Company in order to issue said report, and may also request outside advice if it so deems necessary".

Finally, it shall be pointed out that additional information about related party transactions is included and available in the financial statements, this annual corporate governance report, annual activities report of the Audit, Compliance and Related Party Transactions Committee, and in the Report of the Audit, Compliance and Related Party Transactions Committee about its interventions regarding the related party transactions, all available in the corporate website (www.siemensgamesa.com).

D.2. Describe any transactions which are significant, either because of the amount involved or subject matter, entered into between the company or entities within its group and the company's significant shareholders:

Name of significant shareholder	Name of company within the group	Nature of the relationship	Type of transaction	Amount (thousand euros)
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Remarks

The change of SIEMENS GAMESA's significant shareholder took place on September 25, 2020, as detailed in Section A.2 of this report, and therefore despite there are transactions with companies belonging to Siemens AG group until September 25, 2020, and belonging to Siemens Energy AG group as from such date, there are no cost positions assigned to Siemens Energy Group during fiscal year 2020. All transactions with related parties are consequently reported under D.5 in this Section.

D.3. Describe any transactions that are significant, either because of their amount or subject matter, entered into between the company or entities within its group and directors or managers of the company:

Name of director or manager	Name of the related party	Relationship	Type of transaction	Amount (thousand euros)
N/A	N/A	N/A	N/A	0

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D.4. Report any material transactions carried out by the company with other entities belonging to the same group, provided that these are not eliminated in the preparation of the consolidated financial statements and do not form part of the company's ordinary business activities in terms of their purpose and conditions.

In any event, note any intragroup transaction conducted with entities established in countries or territories which are considered tax havens:

Name of entity within the group	Brief description of the transaction	Amount (thousand euros)
N/A	N/A	0

Remarks

SIEMENS GAMESA Group companies established in countries or territories considered to be tax havens for being included in the list of the Decree Law 1080/1991 of 5 July 1991, and which do not fulfill the requirements to be excluded of such qualification are classified as operating companies and all transactions carried out by them are exclusively ordinary business activities. The table below includes the list of such companies.

The company SIEMENS GAMESA has not concluded any transaction with its subsidiaries established in countries or territories that are considered a tax haven.

The transactions within the SIEMENS GAMESA Group carried out by subsidiaries of SIEMENS GAMESA, with entities established in countries or territories that are considered a tax haven are all transactions carried out in the ordinary course of business and are eliminated within the process of drawing up the consolidated financial statements, with the detail described below.

At the end of the fiscal year 2020, the only two entities of SIEMENS GAMESA Group resident in tax havens in accordance with Spanish regulations are Siemens Gamesa Renewable Energy, Ltd. (Mauritius) - 100% interest and incorporated on February 5, 2015 - and the branch Siemens Gamesa Renewable Energy Eólica SL, Jordan branch (Jordan) - incorporated on January 12, 2016 -. Both entities' main activity is the performance of wind turbine maintenance services for third-party clients who own wind farms located in said jurisdictions. The turnover of these entities compared to the total turnover of SIEMENS GAMESA Group is not significant (EUR 0.3 million -Mauritius- and EUR 0.7 million -Jordan- out of a total amount of EUR 9,483 million in the 2020 consolidated financial statements).

The income obtained by such entities is subject to the Corporate Income Tax at a nominal tax rate of 15% (Mauritius) and 30% (Jordan). In the case of Jordan, as it is a permanent establishment of a Spanish entity located in a tax haven, the profits are also included in the tax base in Spain. Therefore, the ownership of these entities does not provide any tax advantage to SIEMENS GAMESA Group.

Company name of the entity in its group	Brief description of the transaction	Report (thousands of euros)
Siemens Gamesa Renewable Energy Limited (Mauritius)	Intercompany financing interest	4
Siemens Gamesa Renewable Energy Limited (Mauritius)	Intercompany sales and services rendering	32
Siemens Gamesa Renewable Energy Eolica S.L. (Jordan)	Intercompany sales and services rendering	276

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D.5. State the amount of any transactions conducted with other related parties that have not been reported in the previous sections.

Name of entity within the group	Brief description of the transaction	Amount (thousand euros)
Iberdrola, S.A.	Purchases of finished goods or not by Siemens Gamesa Renewable Energy Eólica, S.L.	1,186
Iberdrola, S.A.	Sales of finished goods or not by Siemens Gamesa Renewable Energy, Eólica S.L.	20,165
Iberdrola, S.A.	Rendering of services by Siemens Gamesa Renewable Energy Eólica, S.L.	6,782
Iberdrola, S.A.	Sales of finished goods or not by Siemens Gamesa Renewable Energy Wind Farms, S.A.	9,459
Iberdrola, S.A.	Rendering of services by Siemens Gamesa Energia Renovável Ltda.	6,402
Iberdrola, S.A.	Sales of finished goods or not by Siemens Gamesa Renewable Energy Deutschland GmbH	2,660
Iberdrola, S.A.	Sales of finished goods or not by Siemens Gamesa Renewable Energy A/S	2,276
Iberdrola, S.A.	Sales of finished goods or not by Siemens Gamesa Renewable Energy Romania S.R.L.	1,003
VejaMate Offshore Project GmbH	Sales of finished goods or not by Siemens Gamesa Renewable Energy GmbH & Co. KG	7,917
Galloper Wind Farm Limited	Sales of finished goods or not by Siemens Gamesa Renewable Energy Limited	22,454
Galloper Wind Farm Limited	Sales of finished goods or not by Siemens Gamesa Renewable Energy B.V.	5,695
Tromsø Vind AS	Purchases of finished goods or not by Siemens Gamesa Renewable Energy AS	1,567
Tromsø Vind AS	Sales of finished goods or not by Siemens Gamesa Renewable Energy AS	31,866
Tromsø Vind AS	Sales of finished goods or not by Siemens Gamesa Renewable Energy Limited	5,289
Tromsø Vind AS	Sales of finished goods or not by Siemens Gamesa Renewable Energy AS	2,666
ScottishPower Renewables (UK) Ltd	Sales of finished goods or not by Siemens Gamesa Renewable Energy Limited	268,339
ScottishPower Renewables (UK) Ltd	Rendering of services by Siemens Gamesa Renewable Energy Limited	15,159
El Cabo Wind LLC	Sales of finished goods or not by Siemens Gamesa Renewable Energy, Inc	2,135
Energías Renovables Venta III, S.A	Rendering of services by Siemens Gamesa Renewable Energy, S.A. de C.V.	1,346
Parque Industrial de Energía	Sales of finished goods or not by Siemens Gamesa Renewable Energy, S.A. de C.V.	2,301

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ZeeEnergie C.V. Amsterdam	Sales of finished goods or not by Siemens Gamesa Renewable Energy B.V.	14,162
Buitengaats C.V. Amsterdam	Sales of finished goods or not by Siemens Gamesa Renewable Energy GmbH & Co. KG	14,162
OWP Butendiek GmbH & Co. KG	Sales of finished goods or not by Siemens Gamesa Renewable Energy B.V.	16,869
Schaeffler Hong Kong Company	Purchases of finished goods or not by Siemens Gamesa Renewable Energy Technology (China) Co., Ltd.	1,399
Schaeffler Danmark ApS	Purchases of finished goods or not by Siemens Gamesa Renewable Energy A/S	1,383
Schaeffler Group USA INC	Purchases of finished goods or not by Siemens Gamesa Renewable Energy, Inc	1,755
Iberdrola Renovables Bajío S.A.	Sales of finished goods or not by Siemens Gamesa Renewable Energy, S.A. de C.V.	1,231
Schaeffler AG	Purchases of finished goods or not by Gamesa Energy Transmission, S.A. Unipersonal	15,453
Windar Renovables, S.L., Avilés	Purchases of finished goods or not by Siemens Gamesa Renewable Energy Eólica, S.L.	37,005
Windar Renovables, S.L., Avilés	Purchases of finished goods or not by Siemens Gamesa Renewable Energy SARL	4,077
Windar Renovables, S.L., Avilés	Purchases of finished goods or not by Siemens Gamesa Renewable Power Private Limited	2,799
Raudfjell Vind AS	Sales of finished goods or not by Siemens Gamesa Renewable Energy AS	43,161
Torres Eolicas do Brasil Ltda.	Purchases of finished goods or not by Siemens Gamesa Energia Renovável Ltda.	3,311
Stavro Holding I AB, Stockholm	Sales of finished goods or not by Siemens Gamesa Renewable Energy A/S	108,645
Siemens plc	Reception of services by Siemens Gamesa Renewable Energy Limited	6,695
Siemens AG	Purchases of finished goods or not by Siemens Gamesa Renewable Energy A/S	70,294
Siemens AG	Licensing agreements by Siemens Gamesa Renewable Energy A/S	16,701
Siemens AG	Reception of services by Siemens Gamesa Renewable Energy A/S	9,778
Siemens AG	Warranties and guarantees by Siemens Gamesa Renewable Energy A/S	1,534
Siemens AG	Purchases of finished goods or not by Siemens Gamesa Renewable Energy GbmH & Co. KG	63,272
Siemens AG	Reception of services by Siemens Gamesa Renewable Energy GmbH & Co. KG	12,360


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Siemens AG	Warranties and guarantees by Siemens Gamesa Renewable Energy GmbH & Co. KG	1,161
Siemens AG	Purchases of finished goods or not by Siemens Gamesa Renewable Energy, Inc.	14,213
Siemens AG	Warranties and guarantees by Siemens Gamesa Renewable Limited	5,007
Siemens AG	Reception of services by Siemens Gamesa Renewable Energy S.A.	3,586
Siemens AG	Warranties and guarantees by Siemens Gamesa Renewable Energy Pty Ltd	1,543
Siemens AG	Purchases of finished goods or not by Siemens Gamesa Renewable Energy Eólica, S.L.	1,214
Siemens AG	Reception of services by Siemens Gamesa Renewable Energy GmbH & Co. KG	1,187
Siemens AG	Purchases of finished goods or not by Siemens Gamesa Renewable Energy, S.A. de C.V.	1,068
Siemens Ltd.	Reception of services by Siemens Gamesa Renewable Energy Pty Ltd	1,018
Siemens Corporation	Reception of services Siemens by Gamesa Renewable Energy, Inc	4,621
Siemens A/S	Purchases of finished goods or not by Siemens Gamesa Renewable Energy A/S	11,948
Siemens A/S	Licencing agreements by Siemens Gamesa Renewable Energy A/S	3,034
Siemens A/S	Reception of services by Siemens Gamesa Renewable Energy A/S	1,422
Siemens Ltd., China	Reception of services by Siemens Gamesa Renewable Energy (Shanghai) Co., Ltd.	1,274
Siemens Technologies S.A.E.	Purchases of finished goods or not by Siemens Gamesa Renewable Energy Eólica, S.L.	5,828
Siemens Technologies S.A.E.	Purchases of finished goods or not by Siemens Gamesa Renewable Energy Egypt LLC	2,398
Siemens Nederland N.V.	Purchases of finished goods or not by Siemens Gamesa Renewable Energy B.V.	3,415
Siemens Nederland N.V.	Reception of services by Siemens Gamesa Renewable Energy B.V.	1,012
Siemens Industry Software A/S	Licencing agreements by Siemens Gamesa Renewable Energy A/S	4,527
Siemens Industry, Inc.	Purchases of finished goods or not by Siemens Gamesa Renewable Energy, Inc.	2,170
Siemens Financial Services, Inc.	Operating Lease contracts by Siemens Gamesa Renewable Energy, Inc.	1,048

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Siemens Financial Services Ltd.	Operating Lease contracts by Siemens Gamesa Renewable Energy Limited	1,277
Flender GmbH, BL Wind Energy Generation	Purchases of finished goods or not by Siemens Gamesa Renewable Energy GmbH & Co. KG	7,986
Flender GmbH, BL Wind Energy Generation	Purchases of finished goods or not by Siemens Gamesa Renewable Energy A/S	5,669
Flender GmbH	Purchases of finished goods or not by Siemens Gamesa Renewable Energy, Inc.	14,962
Flender GmbH	Purchases of finished goods or not by Siemens Gamesa Renewable Energy A/S	6,455
Flender Corporation	Purchases of finished goods or not by Siemens Gamesa Renewable Energy, Inc.	14,176
Flender Corporation	Reception of services by Siemens Gamesa Renewable Energy, Inc.	2,675
Flender Ltd., China	Purchases of finished goods or not by Siemens Gamesa Renewable Energy Technology (China) Co., Ltd.	41,207
Flender Ltd., China	Purchases of finished goods or not by Siemens Gamesa Energia Renovável Ltda.	12,114
Siemens Energy Austria GmbH, Transformers	Purchases of finished goods or not by Siemens Gamesa Renewable Energy GmbH & Co. KG	53,060
Siemens Energy Austria GmbH, Transformers	Purchases of finished goods or not Siemens Gamesa Renewable Energy A/S	17,641
Siemens Field Staffing, Inc.	Reception of services by Siemens Gamesa Renewable Energy, Inc.	3,479
Siemens Field Staffing, Inc.	Purchases of finished goods or not by Siemens Gamesa Renewable Energy, Inc.	1,630
Siemens Generation Services Company	Purchases of finished goods or not by Siemens Gamesa Renewable Energy, Inc.	1,067
SEG KG, Werk Erlangen	Purchases of finished goods or not by Siemens Gamesa Renewable Energy A/S	43,573
SEG KG, Werk Erlangen	Reception of services by Siemens Gamesa Renewable Energy GmbH & Co. KG	3,156
Siemens Energy, Inc.	Reception of services by Siemens Gamesa Renewable Energy, Inc.	3,235
Siemens Energy B.V.	Purchases of finished goods or not by Siemens Gamesa Renewable Energy B.V.	6,923
OOO Siemens Gas Turbine Technologies	Purchases of finished goods or not by Siemens Gamesa Renewable Energy LLC	2,590
Siemens Energy S.A.	Purchases of finished goods or not by Siemens Gamesa Renewable Energy Eólica, S.L.	1,377
Siemens Electrical Drives Ltd.	Purchases of finished goods or not by Siemens Gamesa Energia Renovável Ltda.	10,053

Remarks

For the purposes of the present section D.5 only the transactions of an amount over 1,000 thousand euros are considered as significant.

Likewise, it shall be pointed out that such information matches with Note 30 of the Consolidated Report which is part of the financial statement of fiscal year 2020.

Regarding the amount attributed to "Purchases and services received" of other related parties, included in cited Note 30 of the Consolidated Report it shall be remarked that only those transactions for an amount over 1,000 thousand euro were included, for being considered as significant. The amount of the transactions included in "Purchases and services received" of other related parties, in the referred Note 30 but not included in section is 38,244 thousand euro.

Finally, according to the referred relevancy criteria the amount of the transactions included in "Sales and services rendered" to other related parties in the referred Note 30 but not included in section is 5,553 thousand euro.

D.6. Describe the mechanisms in place to detect, determine and resolve potential conflicts of interest between the company and/or its group and its directors, senior management or significant shareholders.

a) Possible conflicts of interest between the Company and/or its Group, and its directors:

Article 31 of the Regulations of the Board of Directors regulates the conflicts of interest between the Company or any other company within its group and its directors. In particular, paragraphs 1 and 2 define the situations in which a Director or manager has a conflict of interest and lists persons who, given that they are considered linked thereto, could generate situations of conflicts of interest.

Likewise, the following sections in this article regulate the mechanisms for resolving situations of conflict of interest. In particular, paragraphs 3 and 4 establish that any director who incur in a situation of conflict of interest or who notices the possibility thereof shall notify it to the Board through its Chairperson and refrain from attending and intervening in the deliberations, voting, decision-making and execution of transactions and matters affecting the said conflict. The votes of Directors affected by the conflict and who, therefore, had to abstain, will not be considered in order to calculate the required majority of votes to adopt the relevant resolution.

The following paragraph in article 31 of the Regulations of the Board clarifies that *"in unique cases, the Board of Directors or the General Shareholders' Meeting, as appropriate and in accordance with the terms provided by law, may waive the prohibitions arising from the duty to avoid conflicts of interest"*.

Paragraph 6 specifies that *"the waiver shall be preceded by the corresponding report of (a) the Audit, Compliance and Related Party Transactions Committee regarding the operation subject to a possible conflict of interest, in which it will propose the adoption of a related specific resolution, or (b) the Appointments and Remuneration Committee regarding the waiver of fulfillment of contract duties"*.

Paragraph 7 of the cited article states that *"the Chairman of the Board of Directors must include the transaction and the conflict of interest in question on the agenda of the next corresponding meeting of the Board of Directors so that it may adopt a resolution as soon as possible regarding the issue, on the basis of the report drawn up by the corresponding Committee, deciding to approve or not the transaction, or the alternative that may have been proposed, as well as the specific measures to be adopted."*

Finally, paragraphs 8 and 9 state that the Annual Corporate Governance Report shall include conflict-of-interest situations involving Directors or persons related thereto, and that the report of the annual financial Statements shall detail the transactions incurring in conflict of interest that have been authorized by the Board, as well as any other existing conflict of interest pursuant to the provisions of current legislation during the fiscal year of the financial statements.

b) Possible conflicts of interest between the Company and/or its Group, and its managers:

The Senior Management of the Company and/or of the companies constituting the SIEMENS GAMESA Group, as well as any professional of the Company and/or of the companies constituting the referred Group who, by undertaking his/her activity in areas related to the securities markets or having regular, recurring access to Privileged Information, are classified as Affected Persons (as defined in article 6 of SIEMENS GAMESA's Internal Regulations for Conduct in the Securities Markets (RIC)) by the Ethics and Compliance Division, will be subject to the Internal Regulations for Conduct in the Securities Markets, which most recently revised version was approved on 25 September 2019.

In this regard, according to article 20 of the RIC managers and professionals considered to be Affected Persons must immediately inform either their supervisor or senior manager or the Ethics and Compliance Division of situations that

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could potentially give rise to a conflict of interest and keep such bodies permanently up to date with regard to said situations. Any concerns regarding the actual existence of a conflict of interest must be addressed with the Ethics and Compliance Division.

c) Possible conflicts of interest derived from transactions between the Company and/or its Group with directors and significant shareholders:

Article 33 of the Regulations of the Board regulates the transactions of the Company and its Group with directors and significant shareholders or their respective related persons. Section D.1 above details the content of such article so we refer to the same. In any case, the full text of the Regulation of the Board of Directors is available on the corporate website (www.siemensgamesa.com).

d) Relationships of the directors and/or significant shareholders with companies of the Group:

Article 37 of the Regulations of the Board states that *“the obligations of the Directors of the Company and of the shareholders that own a significant stake which are referred to in this Chapter will be understood as applicable, analogically, regarding their possible relations with companies of the Group.”*

The Business Conduct Guidelines of the Company approved by the Board on September 12, 2018, dedicate a paragraph to conflict of interest which is applicable to all Group professionals regardless of their hierarchical position.

D.7. Is there more than one company in the group listed in Spain?

Yes

No

Identify the other companies that are listed in Spain and their relationship to the company:

Identity and relationship with other listed group companies

N/A

State if the respective areas of activity and business relationships between the listed companies have been defined publicly and precisely, as well as between the subsidiary and other members of the group;

Yes

No

Describe the business relationship between the parent and subsidiary listed companies as well as between the subsidiary and other members of the group

Identify measures taken to resolve potential conflicts of interest between the listed subsidiary and the other group companies:

Measures taken to resolve potential conflicts of interest

E. RISK MANAGEMENT AND CONTROL SYSTEMS

E.1. Explain the scope of the company's Risk Management and Control System, including tax compliance risk.

SIEMENS GAMESA has certain **Risk Control and Management Systems** that are part of our internal framework that we call ERM (Enterprise Risk Management) and which is covered by the **Corporate Governance** rules. ERM is taken into account at the highest level, based on the guidelines established in the Regulations of the Board of Directors (Arts. 6 and 7) and in the Regulations of the Audit, Compliance and Related Party Transactions Committee (Arts. 5, 9 and 11) and also based on internationally recognized methods (COSO 2017 and ISO 31000:2018).

The **Risk Control and Management Systems within ERM** are promoted by the Board of Directors and Top Management and implemented throughout the organization. SIEMENS GAMESA has an Enterprise Risk Management (ERM) and Internal Control over Financial Reporting department that reports to the Chief Financial Officer. This function regularly reports to the Audit, Compliance and Related Party Transactions Committee. The company's Risk Control and Management system is managed through a "RIC" tool.

The **General Risk Control and Management Policy**, which establishes the foundations and general context for the key elements of ERM that are summarized below, is the foundation for these systems.

The general risk management process classifies risks in four categories:

- **Strategic:** Risks that are directly influenced by strategic decisions, arise from long-term strategies or relate to top-level objectives.
- **Operational:** Risks resulting from day-to-day activities and relating to the effectiveness and efficiency of the Company's operations, including performance and profitability targets.
- **Financial:** Risks resulting from financial transactions and from non-compliance with tax, accounting and/or reporting requirements.
- **Compliance:** Risks resulting from non-compliance with the Business Conduct Guidelines or legal, contractual or regulatory requirements.

The ERM process is a continuous cycle intended to proactively manage business risks. It is based on six phases:

- **Identify:** Aims to identify significant risks and opportunities (R/Os) that could adversely or positively impact the achievement of the Company's strategic, operational, financial and compliance objectives. The identification of R/Os is a continuous process for which everyone is responsible in their day-to-day work. It is based on top-down and bottom-up approaches throughout the organization, represented by corporate, business-unit and regional R/O-maps supported by specific risk management systems and the necessary consistency between micro- and macro-risk.
- **Evaluate:** Evaluate and prioritize the identified R/Os in order to focus management attention and resources on the most important ones. All identified R/Os are evaluated based on their impact on the organization and the probability of occurrence, taking into account a three-year time period and different perspectives, including effects on business objectives, reputation, regulation, top management time and financial matters. ERM is based on net risk, taking into account residual risks and opportunities after the implementation of existing control and mitigation measures.
- **Respond:** Focuses on the definition, approval and implementation of response plans to manage identified risks by selecting one of our general risk response strategies (avoid, transfer, accept and mitigate). Our general response strategy in relation to opportunities is to seize or take advantage of the most significant ones.
- **Monitor:** Deals with appropriate controls and continuous supervision to permit timely notification of significant changes in the R/O situation, of progress on KRIs and of response plans.

- **Report and scale:** Focuses on the standardized and structured reporting of identified R/Os. This process provides significant risk information to management.
- **Continuous improvement:** Risk management in SIEMENS GAMESA's ERM evolves based on the application of the principle of continuous improvement, audits, self-assessments, benchmarking, etc., and is based on reviews of the efficiency and effectiveness of the ERM process and compliance with legal and regulatory requirements in order to ensure sustainability.

E.2. Identify the bodies within the company responsible for creating and executing the Risk Management and Control System, including tax compliance risk.

The **Board of Directors**, as Company's main decision, supervision and control body, authorizes and approves all relevant transactions. It is also responsible for establishing the general policies and strategies, included the General Risk Control and Management Policy and the tax strategy of the Company and for supervising the implementation thereof and the internal reporting and control systems.

The Company's Risk Control and Management Systems are applied by means of **an organization structured into four levels of defence:**

1. Ownership of risk control

As owner of the top risks, among other aspects, the Executive Committee (ExCo) is responsible for:

- Ensuring and promoting compliance with relevant legal requirements and internal policies.
- Applying the General Risk Control and Management Policy and the R/O management strategy as a basis for the R/O management process.
- Ensuring that risk management and control is integrated into business and decision-making processes.
- Defining and proposing the approval of the specific numerical values for the risk limits listed in the specific policies and/or in the annually established targets.
- Reporting to the Audit, Compliance and Related Party Transactions Committee on all Company-related issues relating to strategy, planning, business development, risk management and compliance.

Business unit directorates: Each business unit, as the owner of the R/Os for its unit, performs a function at this level similar to that of the Executive Committee.

Regional Executive Committees: As owners of the regional R/Os, they perform a function at this level similar to that of the Executive Committee.

Financial Directorate: As established in the Investment and Finance Policy, it centralizes the management of finance-related risks for the entire SIEMENS GAMESA Group.

Tax Department: Reporting to the Financial Department, it ensures compliance with the tax strategy and policy, reporting to the control and supervisory bodies on the tax standards and policies applied during the fiscal year and on the control of tax risks of the entire Group.

2. Monitoring and compliance

- **Risk Department (ERM):** Integrated within the Financial Department, it participates in defining the risk strategy and in the mitigation of risks, endeavouring to ensure that the executive team evaluates all matters relating to the Company's risks, including operational, technological, financial, legal, social, environmental, political and reputational risks.
- **Governance and Internal Control Department (GOV/CON):** Reporting to the Operations Directorate, has the governance role and is responsible for the process to test the effectiveness of the internal control systems.
- **Ethics and Compliance Directorate:** Reports directly to the Audit, Compliance and Related Party Transactions Committee of the Board of Directors, and is in charge of applying the Business Conduct Guidelines and the Internal Regulations for Conduct in the Securities Markets, as well as supervising the implementation of and compliance with the Crime Prevention and Anti-Fraud Policy and Handbooks.

3. Independent assurance

The Internal Audit Directorate reports to the Board of Directors' Audit, Compliance and Related Party Transactions Committee and to the CEO, and is responsible for informing, advising and directly reporting on the following matters, among others:

- The Company's application of generally accepted accounting principles, as well as any significant accounting change in relation therewith.
- Risks associated with the balance sheet and with functional areas of activity, with the existing identification, measurement and control relating thereto.
- The Company's transactions with third parties if they involve a conflict of interest or are transactions with shareholders holding a significant stake in the Company.
- Financial information that is regularly or periodically issued to investors and market agents and to securities market regulatory bodies.
- Adequacy and integration of internal control systems.
- Inform and advise the Committee on audit matters of a technical nature.
- Report on the incidents that occur in the development of its annual work plan and submit an activity report at the end of each year.
- Information within its purview to be included in the Annual Corporate Governance Report prior to approval by the Board of Directors.

4. Supervision

The Audit, Compliance and Related Party Transactions Committee supports the Board of Directors in the supervision of the system and reports thereto regarding the sufficiency thereof.

The Audit, Compliance and Related Party Transactions Committee shall have the following key duties related to internal control and risk management systems:

- a) Receive regular reports from management on the functioning of existing systems and on the conclusions of any tests conducted on such systems by internal auditors or any other professional specifically engaged for this purpose, and on any significant internal control shortfall detected by the auditor in the course of its statutory auditing work. As a result of this supervision, the Committee may raise recommendations or proposals to the Board of Directors.
- b) Oversee, at least on an annual basis, all risk policies and propose amendments thereof or the adoption of new policies to the Board of Directors.
- c) Oversee that policies related to the control and management of risks identify or determine at least:
 - i. The different types of financial and non-financial risks (including operational, technological, financial, legal, fiscal, reputational, climatic, social, political, environmental or related to corruption) affecting the Company and its Group, including financial or economic risks, contingent liabilities and other off-balance sheet risks.
 - ii. The levels of risk that the Company and the Siemens Gamesa Group deem acceptable in accordance with the Corporate Governance Rules.
 - iii. The planned measures to mitigate the impact of identified risks, should they materialize.
 - iv. The information and internal control systems used to control and manage risks.
- d) Oversee, at least on an annual basis, the key financial and non-financial risks and the level of tolerance established.
- e) Oversee that the Risk Department participates in defining the risk strategy, in the correct functioning and effectiveness of the control systems and in mitigating the risks detected.
- f) Hold, at least on an annual basis, a meeting with the officers heading up business units of the Group in order to explain the business trends and the related risks.
- g) Generally oversee that the internal control policies and systems are affectively applied in practice by receiving reports from internal control and internal audit officers and from the executive management,

reaching conclusions on the standard of confidence and reliability provided by the system, coupled with proposed improvements.

The Board of Directors approves the risk levels or the policies from which the risk levels derive that the SIEMENS GAMESA Group considers acceptable (risk tolerance criteria in accordance with ERM methodology), which are aimed at maximizing and protecting the economic value of SIEMENS GAMESA within controlled variability.

E.3. State the primary risks, including tax compliance risks, and those deriving from corruption (with the scope of these risks as set out in Royal Decree Law 18/2017), to the extent that these are significant, which may affect the achievement of business objectives.

In deploying its strategic and operational planning, SIEMENS GAMESA faces various risks inherent to the sector and the countries in which it operates. These risks can affect the achievement of business objectives.

Generally, risk is defined as a potential loss caused by an event (or a series of events) that may adversely affect the achievement of the business objectives of a company, for which reason the Risk Control and Management Systems are clearly linked to the strategic planning process and the setting of the Company's objectives.

We set out below a brief summary of the principal risks that could affect the achievement of business objectives and that have been monitored in 2020.

Strategic

- Industry and SIEMENS GAMESA operations that may be affected by **infectious diseases, health crises**, and particularly the recent **Covid-19** pandemic, both locally and globally.
- **Pressure on contribution margin and on MW volumes**, due to factors like changes in governmental political decisions, the cost of wind power compared to other sources of energy, and changes in the business model towards auctions in an increasing number of countries.
- As a result of geographic diversification and the extensive base of customers and suppliers, SIEMENS GAMESA is exposed to "**country risk**", which is understood as the environment in which socio-political and security conditions may affect the local interests of SIEMENS GAMESA, such as the effect on the French, Chinese, Indian, Mexican, Turkish, Egyptian, Tunisian, Mauritanian, Argentine and South African wind markets of the macro political situation in these countries, processes like Brexit in the UK, trade wars with the United States, and potential risks from doing business in countries under embargoes or sanctions by strategic countries.
- **Climate change** might generate heavy rains and floods, which potentially could affect certain company's assets.
- Significant changes in the share ownership of SIEMENS GAMESA that could give rise to **uncertainty in the securities market**.

Operational

- Operational risks relating to the launch of **new products**, the set-up of our supply chain including make or buy decisions and **the quality of our products and services**.
- Risks relating to the **commitments made** in certain contracts with customers that could end up affecting cash flow or balance sheet provisions.
- Risk that the **cost reduction processes for some products do not occur as quickly as required** to offset the pressure on prices.
- Due to the complexity of the projects managed by SIEMENS GAMESA, with complex deadlines and specifications and sometimes within difficult geographical environments, there is a **risk in project execution** that could lead to additional project cost and, hence, negative deviations in the project margins.
- **Cyberattack risks**: Like many other multinational companies, SIEMENS GAMESA is exposed to the growing threat of increasingly professionalised cybercrime, within an environment of continued improvement of information technology systems.
- **Supply chain risks**, due to the existence of critical components that could cause delays or cost increases in the production of SIEMENS GAMESA wind turbines or the execution of its construction projects.

- **Market price risks:** SIEMENS GAMESA is exposed to risks relating to fluctuations in the prices of raw materials, as well as duties on the import of specific products in some countries that could affect supply chain costs.

Financial

- **Risks relating** to the needs of the wind market with respect to **third party guarantees.**
- **Risks that could affect the strength of the balance sheet,** the amount and structure of working capital, and/or results (including the continuous improvement of costs), including significant strategic and/or operational issues that could entail impairments of assets.
- **Exchange rate risk:** SIEMENS GAMESA engages in transactions with international counterparties in the ordinary course of its business that give rise to collections and payments in currencies other than the euro and future cash flows of entities of the SIEMENS GAMESA Group in currencies other than their functional currency, for which reason it is exposed to risks of changes in exchange rates.
- **Interest rate risk:** the risk that the fair value or future cash flows of a financial instrument fluctuate as a result of changes in interest rates. The risk occurs each time the interest terms for financial assets and liabilities are different. SIEMENS GAMESA uses external sources to finance a portion of its operations. Variable rate loans expose the Group to interest rate risks, while fixed rate loans expose the Group to the risk of interest rates at fair value. Variable rates are mainly linked to EURIBOR.
- **Tax risks** arising from local and/or global requirements and direct or indirect taxation.

Compliance

- **Risk of occurrence of severe and/or fatal accidents** with the additional effects of delays, damage to assets and reputational loss, caused by, among other things, the high risk profile of some works, potential failures in the processes of selection, monitoring and qualification of contractors, and work in emerging market environments with a less mature culture in relation to safety, health and environmental standards.
- **Risk of regulatory uncertainty and compliance with applicable legal and contractual requirements (including the data protection act) and compliance with contractual obligations,** intellectual property rights, and controlling the risk of crimes being committed, such as fraud and corruption (including bribery, extortion, embezzlement, influence peddling and misappropriation of assets).

The Management Report of the Annual Report for fiscal year 2020 includes additional details regarding some of the risks associated with the activities of SIEMENS GAMESA.

E.4. State whether the entity has a risk tolerance level, including tolerance for tax compliance risk.

Top Management establishes and Board of Directors approves the risk strategy and tolerance based on quantitative (indicators) or qualitative variables, allowing it to set the amount of risk that it is prepared to assume to achieve its objectives.

SIEMENS GAMESA uses 3 levels of risk tolerance: "risk acceptance", "risk monitoring" and "risk escalation". Tolerance is regularly updated, at least each time changes are made to the strategy and/or policies.

SIEMENS GAMESA essentially has 3 complementary ways of establishing risk tolerance levels:

- 1) By means of regularly reviewed specific policies and internal regulations, particularly including the following:
 - General Risk Control and Management Policy
 - Corporate Tax Policy
 - Investment and Finance Policy (exchange rate, credit and interest rate risks)
 - Health, Safety and Environmental Policy (health and safety, respect for the environment, quality and energy efficiency)
 - Business Conduct Guidelines
 - Crime Prevention and Anti-Fraud Policy
 - Cybersecurity Policy
- 2) The setting of objectives on an annual basis or based on strategic regularity, for indicators that are used to monitor certain risks. These indicators include:
 - EBIT, cash conversion, net financial debt, CAPEX and working capital
 - MW sold and new orders
 - Sustainability
 - Cyberattacks

- Frequency and severity index in relation to Health & Safety

3) A risk is considered to exceed tolerance and to require mitigation plans when it is rated as major or high. This assessment is based on the use of various perspectives on impact according to a number of criteria combined with the probability of occurrence.

For a particular risk identified and assessed as major or high and for which a risk policy and/or limit has also been exceeded or breached, or if it is anticipated that it could be exceeded or breached, such mitigation actions must be implemented as necessary to reduce the risk below its tolerance threshold.

Once the risks (including tax-related risks) threatening achievement of objectives have been identified, the risk owners or those delegated thereby, with the support of the ERM Department and other support functions, make an assessment thereof and manage the plans for their mitigation.

E.5. State which risks, including tax compliance risks, have materialized during the year.

The risk factors that have materialized during 2020 in the countries and markets in which SIEMENS GAMESA has done business have had an adverse impact on the Group's financial results, the most significant being project execution, **Covid-19**, price pressure and slowdown in the Indian market.

It is noteworthy that activities in 2021 will be subject to the continuation of these same risk factors in the development of the wind market. The Group also expects to face uncertainties arising from the process of negotiating the United Kingdom's exit from the European Union and the policies adopted by the United States government relating to its tariff policies and embargoes on various countries.

E.6. Explain the response and monitoring plans for all major risks, including tax compliance risks, of the company, as well as the procedures followed by the company in order to ensure that the board of directors responds to any new challenges that arise.

The specific response and supervision actions that apply to significant risks (including tax risks) that are regularly reported to the Board of Directors and to the Audit, Compliance and Related Party Transactions Committee (whether or not they have occurred) include:

Strategic

- Creation of a multidisciplinary team that establishes health and safety protocols (including protective equipment and testing), analyses and manages the supply chain, project execution and the inclusion of new clauses in contracts that mitigate pandemic risk.
- Development of new business opportunities, entry into new countries, and cost reduction programmes at all units to mitigate the risk of pressure on the margin and on volumes.
- The possible effects of specific drops in business due to "country risk" are mitigated with a balanced diversification of sales in other countries/regions, diversification in the supply chain and a Security Model that ensures the continuity and security of the business, of people and of assets in the countries in which the Company does business, using early alerts and contingency and emergency plans.
- SIEMENS GAMESA is carbon neutral as of 2020, its core business is the renewable energy sector and assets are safeguarded by the Real Estate department
- Creation of a project team in charge of analysing the implications of a change in share ownership and of implementing the relevant mitigation measures.

Operational

- New products and production centres are regularly monitored to ensure that both cost and quality are fulfilled as expected.
- Commitments to customers are regularly monitored, and negotiation and product reassignment alternatives are sought.

- There is an ongoing reduction in costs through specific goal-based programmes deployed in all regions and controlled by the corporation, seeking to improve profitability in terms of cost of energy and gross margin.
- A project has been created using a multidisciplinary team to pursue best practices in order to obtain excellence in project implementation. The Company also analyses its projects on a recurring basis and has defined controls within the ICFR system to monitor the management thereof.
- A multidisciplinary Security Committee leads and continuously improves our Information Security Model that is capable of preventing and mitigating the external threats of cyberattacks.
- We implemented a second source supply strategy to mitigate supply chain risks and signed long-term agreements with suppliers of critical components to ensure their availability.
- Market risk relating to the price of raw materials is mitigated in some cases by using derivatives, as well as through negotiations, a search for secondary sources of supply, and even the redesign of some components.

Financial

- Risks relating to the needs of the wind market regarding third party guarantees are mitigated by obtaining ratings from rating agencies, as well as through negotiation with customers.
- Balance sheet risks are prevented / mitigated by continuously monitoring cash flows and significant business issues that could lead to impairments of assets. Monitoring includes (among other things) the existence of procedures that specify exactly when a triggering event occurred which requires a so-called impairment test that could result in an impairment.
- Various actions are taken to reduce exposure to foreign exchange rate risk, including: increase in local content, hedging through the use of derivative financial instruments, monitoring of exposure to fluctuations while ensuring compliance with the Group's hedging policy that requires a minimum level of hedging, including the analysis of currency sensitivity.
- The division of external financing between variable and fixed rates is constantly analysed in order to optimise exposure to interest rates, and derivative financial instruments are used to reduce interest rate risk.
- Tax risks are controlled with various mechanisms established within the Tax Risk Control and Analysis Framework, including: regularly reporting to the management and supervisory bodies of the Company on compliance with good tax practices; application of the Corporate Tax Policy; and specific monitoring of compliance with legal requirements on tax matters by region.


Compliance

- The risk of serious and fatal accidents is mitigated through various actions, including: strengthening of the zero tolerance policy; specific emergency plans for each serious accident; global prevention plans for the regions with the worst results; preventive health & safety actions prior to commencing operations in a new country; and continuous training.
- SIEMENS GAMESA has a Handbook and Systems for monitoring regulatory changes and crime prevention in accordance with the legal requirements and risks associated to the Company's activities in the principal regions in which it does business. This include the corresponding specific detection and prevention controls of such risks with special focus on all forms of corruption (including bribery, extortion, embezzlement, influence peddling and misappropriation of assets).

Additional information regarding response plans and supervision is enclosed in the Management Report included in the Annual Report and in the Consolidated Financial Statements of 2020.

Continuous supervision and monitoring processes are also developed to ensure an appropriate response to the principal risks of the Company, including the following:

- Control by the heads of the business units, the regions and the Executive Committee regarding the evolution of R/O maps and mitigation plans.
- Reports to the Audit, Compliance and Related Party Transactions Committee of the Board of Directors regarding changes in the R/O maps by the head of ERM, and individually by the R/O owners to deal with significant risks and opportunities.


Risk management
and control systems

- Insurance of operational third-party risks, with annual update and review of coverages.
- External management system certifications pursuant to OHSAS18001, ISO 14001 and ISO9001.
- Aenor certificate in UNE 19602 standard related to the tax compliance management system.
- Internal certifications by Management to the effect that the ERM process, as part of the risk and internal control system, is implemented and guarantees that significant risks and opportunities are being effectively managed.
- Evaluations, including independent evaluations, by Management, by the internal audit department and by external audit of the effectiveness of the risk management systems.
- Regular training sessions for managers and senior managers regarding ERM Policy and Methodology.
- Internal audits of significant risks by the Internal Audit Department.

F. INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS RELATED TO THE PROCESS OF PUBLISHING FINANCIAL INFORMATION (ICFR)

Describe the mechanisms comprising the System of Internal Control over Financial Reporting (ICFR) of your company.

F.1. Control environment

Report on at least the following, describing their principal features:

- F.1.1. The bodies and/or departments that are responsible for (i) the existence and maintenance of an adequate and effective ICFR; (ii) their implementation; and (iii) their supervision.

According to section 4.b of Article 529.querterdecies of the **Corporate Enterprise Act**, and without prejudice to the other duties stipulated in the by-laws or in compliance with them in addition to those set out in the board of directors' regulations, the **audit committee** shall have, as a minimum, the following duties: to supervise the efficiency of the company's internal controls, internal audit and risk management systems, in addition to discussing with the accounts auditor any significant weaknesses in the internal control system detected in the course of the audit, without compromising its independence. To this end, and where appropriate, recommendations or proposals may be submitted to the board of directors and the corresponding time frame for follow-up activities.

Internal risk management and control systems related to the process of publishing financial information (ICFR)

According to Article 33.5.g of SIEMENS GAMESA's By-Laws, the **Board of Directors** has among its competencies "preparing the financial statements and the report on individual management of the Company and consolidated management reports with its subsidiaries, as well as the proposed allocation of earnings for approval, where applicable, by the Shareholders' General Meeting". Likewise, as established by Article 7.3a) of the Regulations of the Board of Directors, the Board of Directors has, among others, the competency of supervising the internal information and control systems and the transparency and accuracy of the information provided by the Company and approving the financial information which, as a result of its status as listed on the stock exchange, should be published regularly.

The **Regulations of the Audit, Compliance and Related Party Transactions Committee** establish that it is within the purview of said Committee to supervise the effectiveness of the Company's internal control system, the systems for the management of risks, including tax risks and oversight of the process of preparing and filing the regulated financial information.

In relation to the powers relating to the process of preparing the economic and financial information, the Audit, Compliance and Related Party Transactions Committee performs the following functions, among others, as defined in Article 8 of the Regulations of the Audit, Compliance and Related Party Transactions Committee:

- Oversee the process of preparation and submission and clarity and integrity of economic and financial information relating to the Company and its consolidated Group, as well as the correct delimitation of such group, and raise the recommendations or proposals to the Board of Directors that may deem appropriate in this sense. The Committee shall perform its duty of overseeing continuously and, on an ad-hoc basis, when requested by the Board of Directors.
- Oversee that all periodic economic and financial information (Half-Yearly Financial Reports and the quarterly management statements) is formulated under the same accounting criteria as the annual financial information and, for this purpose and where appropriate, propose to the Board of Directors that the auditor perform a limited review thereof.
- Oversee compliance with legal requirements and the correct application of generally accepted accounting principles and inform the Board of any significant changes in accounting criteria.
- Oversee the reasons why the Company should disclose in its public reporting certain alternative performance measures, instead of the metrics defined directly by accounting standards, the extent to which such alternative performance measures provide useful information to investors and the degree of compliance with the best practices and international recommendations in this respect.
- Be informed of the significant adjustments identified by the auditor or arising from Internal Audit reviews, and management's position on such adjustments.
- Address, respond to and properly take account of any requests or demands issued, in the current or in previous years, by the supervisory authority of financial reporting to ensure that the type of incident previously identified in such demands does not recur in the financial statements.
- Supervise on a quarterly basis that the financial information published on the corporate website of the Company is regularly updated and matches the information authorized by the Board of Directors and published on the National Securities Market Commission website. Following the supervision, if the Committee is not satisfied with any aspect, it shall notify such aspect to the Board of Directors through its secretary.

In relation to the internal control and risk management systems, as defined in Article 10 of said Regulations of the Audit, Compliance and Related Party Transactions Committee:

- Receive regular reports from management on the functioning of existing systems and on the conclusions of any tests conducted on such systems by internal auditors or any other professional specifically engaged for this purpose, and on any significant internal control shortfall detected by the statutory auditor in the course of its statutory auditing work. As a result of this supervision the Committee may raise recommendations or proposals to the Board of Directors.
- Oversee, at least on an annual basis, all risk policies and propose amendments thereof or the adoption of new policies to the Board of Directors.
- Oversee that policies on the control and management of risks identify or determine at least:
 - i. The different types of financial and non-financial risks (financial, operational, strategic, and compliance) affecting the Company and its Group, including financial or economic risks, contingent liabilities and other off-balance sheet risks.

Internal risk management and control systems related to the process of publishing financial information (ICFR)

- ii. The levels of risk that the Company and the SIEMENS GAMESA Group deem acceptable in accordance with the Corporate Governance Standards.
 - iii. The planned measures to mitigate the impact of identified risks, should they materialize.
 - iv. The information and internal control systems used to control and manage risks.
- Oversee, at least on an annual basis, the key financial and non-financial risks and the level of tolerance established.
 - Oversee that the Risk department participates in defining the risk strategy, in the correct functioning and effectiveness of the control systems and in mitigating the risks detected.
 - Hold, at least on an annual basis, a meeting with the officers heading up business units of the Group in order to explain the business trends and the related risks.
 - Generally, oversee that the internal control policies and systems are effectively applied in practice by receiving reports from internal control and internal audit officers and reaching conclusions on the standard of confidence and reliability provided by the system, coupled with proposed improvements.

The Management of SIEMENS GAMESA Group is responsible through its Internal Control department and Internal Control Over Financial Reporting (ICFR) team for the design, implementation and maintenance of ICFR. The Internal Control department is responsible for the overall Internal Control governance and reports to the Chief Operating Officer (COO). Furthermore, there is an Enterprise Risk Management (ERM)/ ICFR team reporting to the Chief Financial Officer (CFO). Both functions regularly report to the Audit, Compliance, Related Party Transaction Committee including on the overall status of the Internal Control system, non-ICFR and ICFR specific content. The Group's internal control system is managed through a company-wide platform called "RIC tool".

In support of the Audit, Compliance and Related Party Transactions Committee, the Company has an Internal Audit department, which functionally reports to the aforementioned Committee and by performing its annual work plan reinforces control relating to the reliability of the financial information.

SIEMENS GAMESA Group's internal control system considers the core elements of COSO 'Internal Control – Integrated Framework' (2013) – the most broadly accepted control framework. The framework defines the elements of a control system and sets the benchmark for evaluating the effectiveness of the internal control system.

F.1.2. State whether the following are present, especially if they relate to the creation of financial information:

- *Departments and/or mechanisms in charge of: (i) design and review of corporate structure; (ii) clear definition of lines of responsibility and authority with an adequate distribution of tasks and functions; and (iii) assurance that adequate procedures exist for proper communication throughout the entity*

In relation to the definition of the organizational structure, the regulations of the **Board of Directors** establish that the **Appointments and Remuneration Committee** must inform the Board of Directors of the proposals for appointment and removal of Top Management and must also report on the remuneration conditions and terms and conditions of the employment contracts thereof prior to their approval by the Board of Directors.

SIEMENS GAMESA Group's **Executive Committee** is responsible for defining, designing and reviewing the organizational structure. It assigns functions and tasks, ensuring appropriate separation of functions and that the areas of the various departments are coordinated so as to achieve the Company's objectives.

SIEMENS GAMESA Group has clearly defined lines of authority and responsibility for purposes of preparing the financial information. The **CFO organization** has the main responsibility for preparing the financial information. The CFO organization is responsible for the existence and proper dissemination within SIEMENS GAMESA Group of the internal policies and procedures that are necessary to ensure reliability in the process of preparing the financial information. The CFO organization also plans the key dates and reviews to be carried out by each responsible area.

The Chief Operating Officer (COO) through his Internal Control department is responsible for the existence and proper dissemination within the Group of the Internal Control policies and procedures.

SIEMENS GAMESA Group has financial organizational structures that are adapted to the local needs of each region in which it operates, led by a **Managing Director Administration & Finance of the legal entities** whose duties include the following responsibilities:

Internal risk management and control systems related to the process of publishing financial information (ICFR)

- Compliance with local law & regulations
- Financial (IFRS & local GAAP) & local tax reporting: “Clean books & records”
- Internal Controls, including quarterly attestation of financials (certification letter)

Specifically, and as regards to ICFR, the existing organizational structure has resources for the proper functioning thereof, with centralised guidelines that are controlled and supervised at central SIEMENS GAMESA Group level and with local-level implementation in each region with the aim of providing detail on the processes considered key for the Company.

- *Code of conduct, the body approving this, degree of dissemination and instruction, including principles and values, (state if there is specific mention of transaction recording and creation of financial information), a body charged with analyzing breaches and proposing corrective actions and sanctions.*

SIEMENS GAMESA Group has its own Business Conduct Guidelines, the current version of which was approved by its Board of Directors on 12 September 2018. The Business Conduct Guidelines define SIEMENS GAMESA Group’s attitude in relation to the conduct of a responsible business and describe how SIEMENS GAMESA Group fulfils its responsibilities as a company, i.e. as an employer, in its markets, in society and towards the environment. This Business Conduct Guidelines are available both on the corporate website and on the internal intranet after a specific Company-wide communication by the Chief Executive Officer.

Regarding its economic and financial information, SIEMENS GAMESA Group is committed to transparent, clear, truthful, complete and consistent reporting to investors, employees, customers, institutions and governmental agencies.

More specifically, the Business Conduct Guidelines state that as an international company, SIEMENS GAMESA Group is committed to accurate and truthful reporting to investors, employees, customers, business partners, the public and all government agencies. SIEMENS GAMESA Group follows all applicable laws, regulations, standards and practices.

SIEMENS GAMESA Group ensures that its books and records are kept completely, accurately and truthfully, they are prepared on time and in accordance with the applicable rules and standards (IFRS), that they comply with the Financial Reporting Guidelines and follow internal control processes.

SIEMENS GAMESA Group provides correct and complete information for financial reporting purposes.

Among other aspects and in relation to the Business Conduct Guidelines, the Compliance department, which reports functionally to the Audit, Compliance and Related Party Transactions Committee, is responsible for resolving doubts that may arise and for receiving any queries or complaints via the established channels that are referred to in the Business Conduct Guidelines for actions that are unethical, lack integrity or conflict with the principles included therein.

- *Whistleblower channel, that allows notifications to the audit committee of irregularities of a financial and accounting nature, in addition to potential breaches of the code of conduct and unlawful activities undertaken in the organization, reporting, as the case may be, if this is of a confidential nature*

In accordance with the provisions of the Business Conduct Guidelines and of Article 11.g of the Regulations of the Audit, Compliance and Related Party Transactions Committee with respect to the duties of the aforementioned Committee relating to the Corporate Governance function, SIEMENS GAMESA Group has developed a Compliance Integrity Hotline that allows its employees to report confidentially or anonymously any potentially significant irregularities with express reference to financial or accounting improprieties that they discover within the Company.

The Audit, Compliance and Related Party Transactions Committee is responsible for establishing and supervising the Compliance Integrity Hotline which SIEMENS GAMESA Group manages through its Compliance department according to the conditions and powers set forth in the Compliance Handbook, which form part of the internal regulations and which sets out its operation and conditions for use, access, scope and other aspects.

As established in Articles 12.b and 12.c of the Regulations of the Audit, Compliance and Related Party Transactions Committee, the Compliance department has the duty of assessing and reporting on the level of compliance with the Business Conduct Guidelines; it will submit such reports to the Audit, Compliance and Related Party Transactions Committee with information on suggestions, concerns, proposals and breaches.

Internal risk management and control systems related to the process of publishing financial information (ICFR)

It is for the Compliance department, upon receipt of a complaint that satisfies a series of requirements and minimum content, to decide whether it is appropriate to process or file such complaint.

If there is evidence of an infringement of the Business Conduct Guidelines, a confidential case file will be opened, and such actions as deemed necessary may be commenced, particularly interviews with the parties involved, witnesses or third parties considered capable of providing useful information and collection of such paper or electronic documents as required. Assistance may also be obtained from other areas of the Company if deemed suitable, as well as from independent experts (establishing an investigative team).

Upon conclusion of the complaint procedure, the investigative team will prepare a report that will contain at least a description of the context of the investigation, its findings, the legal advice on such findings and the actions to rectify the problem.

The **Disciplinary Committee** (comprising the representatives of the Financial, Legal, Compliance and Human Resources departments) is responsible for establishing relevant disciplinary measures for cases of breach of the Business Conduct Guidelines which are proportionate to the severity of said breaches.

If the Compliance department finds evidence of unlawful conduct when processing the case and preparing the report, it will inform the Legal department to assess whether competent legal or administrative authorities must be informed.

- *Training and periodic refresher programmes for staff involved in the preparation and revision of financial information, as well as assessment of the ICFR (Internal Control System for Financial Information), that covers at least accounting rules, audits, internal control and risk management.*

SIEMENS GAMESA Group has staff recruitment procedures and processes in place to identify and define selection and recruitment process milestones ensuring that new employees are qualified to perform the responsibilities associated with their position.

A main line of action for the SIEMENS GAMESA Group is managing employee knowhow through the identification, development and retention of the required talent and knowhow, in addition to ensuring the proper transfer thereof.

In this context, SIEMENS GAMESA Group has processes and tools to determine the level of performance and development needs for the people who make up its organization.

The staff directly and indirectly responsible for actions in the financial and accounting area have been subject to previously established selection and recruitment processes, and moreover, their training needs have been analyzed in internal development processes. They have the necessary professional qualifications and expertise to perform their duties, both in terms of applicable accounting standards and internal control-related principles. These staff are kept continuously up-to-date with applicable regulatory requirements.

Specifically, the Compliance department provides various training sessions on the Business Conduct Guidelines and the Whistle-blower channel.

F.2. Assessment of financial information risks

Report on at least the following:

- F.2.1. The main characteristics of the risk identification process, including error and fraud risk, as regards:
- *Whether the process exists and is documented.*

The Company's Internal Control System including Internal Control Over Financial Reporting (ICFR) are based on the international standards established by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

All entities are classified into 'High', 'Medium' or 'Low' importance entities which is based on the Entity Categories. The Entity Categories primarily reflect the financial importance of the entities to SIEMENS GAMESA Group based on previous and forecast entity revenue, income before taxes, total assets, but also take into account other qualitative aspects. The whole Internal Controls setup requires a related assessment process at each relevant affiliated entity based on the set of centrally defined Control Requirements.

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As part of the account scoping, significant accounts and disclosures are defined based on quantitative and qualitative criteria including use of a COSO scoring model which uses five categories i.e. impact on financial statement, account characteristics, business process characteristics, fraud and entity-wide factors. Each significant account and disclosure are then linked to at least one applicable ICFR Control Requirement.

Central Governance Owners formulate "Control Requirements" as essentials of the Governance Framework (including Internal Controls over Financial Reporting (ICFR) and other High-risk areas). Those centrally defined Control Requirements form the basis for the annual assessments.

The overall set of Control Requirements is applicable to all entities (incl. affiliates) and subject to different levels of assessment (mainly on entity level) on a risk-based approach. To identify the minimum Assessment Approach required for each Control Requirement, Corporate Governance Owners take account of the classification of entities as well as use their judgment regarding the minimum level of assurance required.

There are three different Assessment Approaches:

- **Detailed Assessment (DA):** Detailed Assessment requires that Key Controls addressing Control Requirements are identified and documented. A Test of Design (ToD) and a Test of Operating Effectiveness (ToE) must be performed for each identified Key Control by SIEMENS GAMESA Group individuals who are independent from the control operation and who have no vested interest in the outcome of the assessment (i.e. independent Assessors). Control Requirements are rated as 'achieved' or 'not achieved' based on the outcome of the ToD and the ToE of the related Key Controls, 'control gap deficiencies' and 'non-assessment driven deficiencies', if any.
- **Self Assessment (SA):** Unlike a Detailed Assessment, a Self Assessment can be performed by SIEMENS GAMESA Group individuals who are responsible for or perform the activities addressing the Control Requirement. The Self Assessment Approach requires the Assessor to provide an assessment as to whether the Control Requirement is achieved, supported by a rationale describing the activities performed by the entity providing assurance that this is the case.
- **No Specific Assessment Required (NSAR):** No Specific Assessment Required releases an entity from the obligation to conduct, document and report a formal assessment. However, entity management ensures that these Control Requirements are complied with by executing adequate control activities and reporting any related deficiencies of which they are aware.

Each of the different Assessment Approaches provides varying levels of assurance and therefore requires a different level of effort. The minimum Assessment Approach stipulated by the Corporate Governance Owners reflects the level of assurance needed over each Control Requirement, taking into account the potential risk exposure and corresponding level of effort required to complete the assessment. The scope of activities to be performed by each entity is different, depending on the entity's impact on the Consolidated Financial Statements of SIEMENS GAMESA Group, including the size and specific risks associated with an entity.

The Internal Control System is based on multiple sources, including three key processes facilitated by the SIEMENS GAMESA Group IC Departments which are explained in the following.

Policy & Control Masterbook (PCMB): The Policy & Control Masterbook (PCMB) provides a clear and consistent set of Control Requirements (CRs) which assist management and staff to appropriately control the areas for which they are responsible. The Policy & Control Masterbook has been developed as a single source and reference point for global Control Requirements resulting from relevant rules and regulations published on Corporate level, for example Policies, Financial Reporting Guidelines and other existing policies and guidance. Control Requirements are structured into four categories: Strategic, Operations, Financial and Compliance, on the basis of the established COSO 2017 framework. This allows the organization to break down its control environment into manageable aspects and to work towards achieving its overall control objectives. Control Requirements included in the PCMB form the basis for the annual assessments.

Internal Control over Financial Reporting (ICFR): Internal Control over Financial Reporting (ICFR) is a subset of the overall internal control system as facilitated by the PCMB which considers controls over financial reporting in greater detail. The purpose of this accounting-related internal control system is to ensure that external financial reporting is conducted in a proper manner and to avoid or identify material misstatements therein with reasonable assurance. ICFR is based on the internationally recognized 'Internal Control – Integrated Framework' developed by COSO and because of its importance, it received a more detailed level of review by increasing the level of assessment required.

The key outputs of the SIEMENS GAMESA Group Internal Control System are:

- SIEMENS GAMESA Group's 'In Control' Statement.

Internal risk management and control systems related to the process of publishing financial information (ICFR)

The SIEMENS GAMESA Group 'In Control' Statement provides assurance, although not absolute assurance, that the organization's business objectives are being met and key risks are being adequately managed, for example that assets are safeguarded, financial reporting is reliable and laws and regulations are complied with. The SIEMENS GAMESA Group 'In Control' Statement is supported by 'In Control' Certifications from the entities reporting to the organizational level issuing the 'In Control' Statement of SIEMENS GAMESA Group.

- Quarterly Internal Certification

CEO, COO, CFO and Head of Accounting of SIEMENS GAMESA Group certify that the financial statements give a true and fair view of the assets, liabilities, financial position and profit and loss of the group and the Group Management Report includes a fair review of the development and performance of the business and the position of the group.

To support the CEO, COO, CFO and Head of Accounting's external certification, a Quarterly Internal Certification process has been implemented. The result of the Quarterly Internal Certification Process is reported to CEO, COO, CFO and Head of Accounting and, if necessary, the Audit Committee of SIEMENS GAMESA Group is informed of any irregularities in the Internal Certification process.

A fraud risk assessment is a principle stipulated by the COSO framework. Every SIEMENS GAMESA Group entity in ICFR scope must assess its susceptibility to fraud through a fraud risk assessment involving appropriate levels of management such as ICFR team and experienced Accounting Managers. While the extent of activities required for the evaluation of fraud risks depends on the size and complexity of a company's operations and financial reporting environment, management recognizes that the risk of material misstatement due to fraud exists in any organization, regardless of size or type.

The ICFR system of SIEMENS GAMESA Group includes programs and controls to prevent, deter and detect fraud. Therefore, the documentation and evaluation of an entity must cover activities specifically intended to address the risks of fraud that have at least a reasonably possible likelihood of having a material effect on the company's financial statements.

SIEMENS GAMESA Group has set up different activities to prevent, deter and detect fraud by addressing the following elements:

- Creating a culture of honesty and high ethics;
- Evaluating antifraud processes and controls; and
- Developing an appropriate oversight process.
- *If the process covers all of the objectives of financial information, (existence and occurrence; completeness; valuation; delivery; breakdown and comparability; and rights and obligations), whether it is updated and with what frequency.*

SIEMENS GAMESA Group is responsible for the fair presentation of the Consolidated Financial Statements that reflect the nature and operations of the entity. In representing that the Consolidated Financial Statements are fairly presented in conformity with generally accepted accounting principles, management implicitly or explicitly makes assertions regarding the recognition, measurement, presentation and disclosure of information in the Consolidated Financial Statements. Each Significant Account or Disclosure can be linked to one or more relevant assertions.

To be able to state the effectiveness of ICFR it is necessary that through a set of Key Controls all relevant financial statement assertions per Significant Account or Disclosure are covered. Assertions are classified according to the following categories:

- Existence or Occurrence (E/O) – assets, liabilities and ownership interests exist at a specific date and recorded transactions represent events that actually occurred during a certain period;
- Completeness (C) – all transactions and other events that occurred during a specific period and should have been recognized in that period have, in fact, been recorded. There are no unrecorded assets, liabilities, transactions or events or undisclosed items (applicable to balance sheet and revenue and expense accounts and possibly disclosures);
- Rights and Obligations (R&O) – the entity holds or controls the rights to assets, and liabilities are the obligations of the entity (applicable to balance sheet accounts);
- Valuation or Assignment (V/A) – asset, liability, equity, revenue and expense components are recorded by appropriate amounts in conformity with SIEMENS GAMESA Financial Reporting Guidelines (FRG) that

are in line with IFRS. Transactions are mathematically correct and appropriately summarized and recorded in the entity's books and records;

- Presentation and Disclosure (P&D) – financial information and disclosures in the statements are properly classified, described clearly and disclosed, in accordance with the SIEMENS GAMESA FRGs.
- *The existence of a process for identifying the scope of consolidation, taking into account, among other factors, the possible existence of complex company structures, shell companies, or special purpose entities.*

In accordance with the recommendations of the Good Governance Code for Listed Companies, Article 7.3.b.iv of the Regulations of the Board of Directors establishes the power to approve the creation or purchase of stocks in special-purpose entities or entities in countries or territories that are considered tax havens according to applicable law.

Additionally, and in this context, the SIEMENS GAMESA Group's corporate tax policy states that in carrying out its activities, SIEMENS GAMESA Group shall follow the principles of an orderly and diligent tax policy that materialises in the commitment to:

- Avoiding the use of artificial and/or opaque structures for tax purposes, with the latter understood as those used to keep the competent Tax Authorities from knowing the final party responsible for the activities or the ultimate owner of the property or rights involved.
- Not organising or acquiring companies residing in tax havens in order to avoid tax obligations.

The SIEMENS GAMESA Group also maintains a continuously updated record of all the legal entities that sets forth all the equity interests it directly or indirectly holds, whatever the nature thereof, including if applicable shell companies and special-purpose entities.

For purposes of identifying the scope of consolidation, in accordance with the standards established in international accounting regulations, the Company maintains and regularly updates a database containing all the companies that make up the SIEMENS GAMESA Group.

SIEMENS GAMESA Group has an established process within the Financial Controlling & Accounting department that ensures the necessary flow of approvals in relation to changes in the scope of consolidation and updates to the database of companies. The scope of consolidation is monitored as part of the consolidation process and within the established internal control over the financial reporting system.

- *If the process takes into account the effects of other types of risk (operational, technological, financial, legal, tax, reputational, environmental, etc.) to the extent that they affect the financial statements*

The Policy and Control Masterbook (PCMB) is the central reference point for all Control Requirements resulting from published rules and regulations and forms the basis for the Internal Control process. At the highest level the PCMB is structured based on four categories of the COSO 2017 framework: Strategic, Operations, Financial and Compliance.

Furthermore, there is an Enterprise Risk Management (ERM) which is further defined in Section E of this report.

- *The governing body within the company that supervises the process.*

The process is ultimately supervised by the Audit, Compliance and Related Party Transactions Committee, which is supported by the Internal Audit department in the performance of its duties.

F.3. Control activities

Report on whether the company has at least the following, describing their main characteristics:

- F.3.1. Review and authorization procedures for financial information published by the stock markets and a description of the ICFR, indicating those responsible, as well as documentation describing the flow of activity and controls (including those relating to the risk of fraud) of the various types of transactions which may materially affect the financial statements, including financial closing procedures and the specific review of judgements, estimates, valuations and relevant forecasts.

The Board of Directors is the highest-level body responsible for supervising and approving the financial statements of the SIEMENS GAMESA Group.

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SIEMENS GAMESA Group sends information to the securities market on a quarterly basis. The Financial Controlling & Accounting department prepares said information, carrying out a series of control activities during the accounting close in order to ensure the reliability of the financial information. These controls are included within the "Consolidation and Financial Close" process in SIEMENS GAMESA Group's ICFR model.

On a monthly basis, Financial Controlling & Accounting department provides the various departments involved in the accounting closing process with plans and guidelines so that each department can prepare the financial information, as well as the date on which it must be reported.

SIEMENS GAMESA Group's financial statements are subject to the following review levels:

- Review by Financial Controlling & Accounting department
- Oversight by the Audit, Compliance and Related Party Transactions Committee
- Approval by the Board of Directors (half-yearly and annual)

The annual accounts and interim financial statements summarized on a half-yearly basis are also subject to audit and limited review, respectively, by the statutory auditor.

As mentioned previously, on a quarterly basis, there is an internal certification process throughout SIEMENS GAMESA's Group. The Management of the different organizational levels and legal entities, backed by the confirmations from the business units' management as well as the management of the companies of the SIEMENS GAMESA Group, confirm a) the accuracy of the financial data disclosed to Corporate Management, b) regulatory and legal compliance, c) certification of the bank accounts and d) independence vis-à-vis the external auditor of SIEMENS GAMESA Group.

Also as mentioned previously, there is an assessment of the design and operational effectiveness of the implemented Internal Control System and the ICFR at the end of each fiscal year. The Management of the different organizational levels and legal entities, backed by the management of the companies of the SIEMENS GAMESA Group, confirms through signing the yearly 'In Control' Certification the fulfilment of its responsibility to establish and maintain an effective internal control system and ICFR. Reports are produced on the effectiveness of the internal control systems, including the shortfalls that could hinder the achievement or development of the key business objectives or those with a material impact on the financial statements.

The financial statements are prepared based on a reporting calendar and delivery dates that are known to all the participants in the process, taking into account the legally established deadlines.

Judgements, estimates, valuations and relevant forecasts are made at different levels of the organization, are escalated to a higher organization level as appropriate, and are part of the quarterly financial statements that are confirmed by the Managing Directors and Head of Accounting of the legal entities as well as by business responsables.

- F.3.2. Internal IT control policies and procedures (access security, change controls, their operation, operational continuity, and segregation of duties, among others) which support relevant processes within the company and relate to the creation and publication of financial information.

IT controls are processes and procedures that provide reasonable assurance that the information technology used by SIEMENS GAMESA Group operates as intended and that data are reliable. IT General Controls (ITGCs) provide the foundation for reliance on data, reports, automated controls, and other system functionality underlying business processes. The security, integrity, and reliability of financial information relies on proper security configuration, access controls, change management, and operational controls. ICFR IT General Controls (ITGC) are pervasive controls that predominantly serve as the foundation for related IT Application Controls (ITAC) or Manual IT Dependent Controls (MITDC).

SIEMENS GAMESA Group considers information technology to be one of its most important assets to properly and efficiently provide its services and to comply with corporate objectives and laws, thus establishing ITGCs as a fundamental objective to ensure that the information processed is accurate, is only available to those who need it and is not disclosed without authorization.

Specifically, and within the scope of the Internal Control System including Internal Controls Over Financial Reporting (ICFR), SIEMENS GAMESA Group has designed and implemented an ITGC framework that is comprised of the following control activities:

- Security configuration: The key attributes of the security configuration are appropriately implemented, following company security standards. Exceptions to the security configuration are approved by the system

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owner and are documented. Password and authentication parameters have been set in accordance with company security standards.

- Access Control: A user access management process is documented, approved and implemented and covers the procedure for granting, changing and removing access to all users, including end-users, privileged users and system administrators. The use of users with administrative or privileged rights follows an authorization process and is appropriately restricted by limiting access to the minimum practical number of users.
- Segregation of Duties (SoD): An Authorization Concept has been defined, documented and implemented for all ICFR relevant applications, considering restriction on usage of system standard profiles, roles and users as well as privileged accounts, emergency users and shared/unpersonalized users. A Segregation of Duties (SoD) matrix has been defined for all relevant processes/roles, based on the Authorization Concept. SoD is monitored and conflicting access is dealt with. A review of all user authorizations to verify the adequacy of access rights based on job responsibilities is conducted and documented regularly.
- Change management: A defined and documented IT Change Management process has been formally approved and implemented. All changes impacting ICFR relevant applications are requested, authorized, tested, implemented, approved and documented following the change management process. Traceability of the whole change management process is ensured for all changes. The productive system is locked against direct modifications (when technically feasible) and access to the production environment is appropriately restricted.
- Back up: A Backup Concept has been defined, documented and implemented for all ICFR relevant applications, considering the data to be backed up, the frequency and retention period, responsibilities and authorizations, creation of logs, etc. A process is in place to monitor that data is regularly backed-up and failures/deviations are dealt with.
- Operational monitoring and scheduled processing: A guideline regarding system logging and monitoring (critical activities, including administrators and operators) has been defined for all ICFR relevant applications. Audit logs are produced and kept for an agreed period. Deviations from scheduled processing are monitored and followed up.

F.3.3. Internal control policies and procedures intended to guide the management of subcontracted activities and those of third parties, as well as those aspects of assessment, calculation or evaluation entrusted to independent experts, which may materially affect financial statements.

SIEMENS GAMESA Group sub-contracts the performance of certain routine transaction processing activities with an impact on financial information (e.g. accounts payable, payroll, invoice records) to internal shared service centers or external/Group service providers. In the cases in which this sub-contracting occurs, it is backed by a services agreement on fully competitive terms that clearly indicates the service provided and the means that the provider, internal, external or Group will use to provide the services, reasonably guaranteeing the technical expertise, independence and competence of the sub-contracted party.

In any case, the outsourced activities are mainly different administrative processes in offices and subsidiary companies that are supported by a services agreement that clearly states the service provided and the means that the qualified external professional provider will use to provide the services, reasonably ensuring the technical qualifications, independence and competence of the sub-contracted party. SIEMENS GAMESA Group's Internal Control System including Internal Control Over Financial Reporting (ICFR) defines control activities for activities outsourced to third parties.

There is also an internal procedure for the procurement of services that establishes the requirement for certain levels of approval depending on the transaction value.

Such services are procured by the Heads of the corresponding functions, reasonably ensuring the competence and technical and legal qualifications of the sub-contracted parties, with the evaluations, calculations or appraisals conducted by external parties being reviewed if applicable.

F.4. Information and communication

State whether the company has at least the following, describing their main characteristics:

- F.4.1. A specifically assigned function for defining and updating accounting policies (accounting policy area or department) and resolving doubts or conflicts arising from their interpretation, maintaining a free flow of information to those responsible for operations in the organization, as well as an up-to-date accounting policy manual distributed to the business units through which the Company operates.

The Financial Controlling & Accounting department is responsible for identifying, defining, updating and communicating the accounting policies that affect SIEMENS GAMESA Group, as well as for responding to accounting queries that may be raised by subsidiaries or the various geographic areas and business units. In this context, it maintains a close relationship with management of the various geographical areas and business units.

The Financial Controlling and Accounting department is also responsible for reporting to the Audit, Compliance and Related Party Transactions Committee and/or to any other corresponding body on specific aspects of accounting standards, the results of the application thereof and their impact on the financial statements.

The Company has an accounting manual that determines and explains the rules for preparing the financial information and how said rules should be applied to the Company's specific operations. This document is regularly updated and significant potential changes or updates are communicated to the companies to which they are applicable.

In case the application of accounting standards is particularly complex, the conclusion of the accounting analysis undertaken is communicated to the external auditors that are asked for their position with respect to the conclusion reached.

The accounting policies applied by the SIEMENS GAMESA Group are described in its annual accounts and are consistent with those applicable under current rules.

In the case of regulatory changes linked to financial reporting that have an impact on the Financial Statements, the Financial Controlling & Accounting department is responsible for reviewing, analyzing and updating the accounting rules as well as for supervising the adoption of new standards or revisions from the International Financial Reporting Standards (IFRS) and those standards, changes and interpretations that have yet to come into force. The Financial Controlling & Accounting department is also responsible for communicating changes or updates to the Company's departments and the subsidiaries.

- F.4.2. Measures for capturing and preparing financial information with consistent formats for application and use by all of the units of the entity or the group, and which contain the main financial statements and notes, as well as detailed information regarding ICFR.

There is a centralized process for consolidating and preparing the financial information. The financial statements reported by the Group's subsidiaries in the established formats, as well as the rest of the financial information required both for the accounting harmonization process and for coverage of the established information needs, are used as "inputs".

The SIEMENS GAMESA Group uses a software tool that collects the individual financial statements and facilitates the process of consolidating and preparing the financial information. This tool allows the centralisation within a single system of all the information resulting from the accounting of the individual companies belonging to the Group.

In this context, the Consolidation and Reporting department establishes a centralized quarterly, half-yearly and annual close plan which distributes to each of the groups and sub-groups the appropriate instructions in relation to the scope of work required, key reporting dates, standard documentation to be sent and deadlines for receipt and communication. Among other aspects, the instructions include a reporting/ consolidation package, preliminary close, inter-company invoicing, physical inventories, inter-group balance confirmation and reconciliations, final close and pending items.

The content of the aforementioned reporting is regularly reviewed in order to respond to the appropriate breakdown requirements in the annual accounts.

ICFR is a subset of the overall internal control system and is managed through a company-wide platform called "RIC (Risk and Internal Control) tool.

F.5. Supervision of system performance

Describe at least the following:

- F.5.1. The activities of the audit committee in overseeing ICFR as well as whether there is an internal audit function that has among its mandates support of the committee and the task of supervising the internal control system, including ICFR. Additionally, describe the scope of ICFR assessment made during the year and the procedure through which the person responsible prepares the assessment reports on its results, whether the company has an action plan describing possible corrective measures, and whether its impact on financial reporting is considered.

There is a regular communication between the Audit, Compliance and Related Party Transactions Committee, Top Management, the Head of the Internal Control department, the Head of the ERM/ ICFR team, the Head of Internal Audit and the Statutory Auditors, so that the Board of Directors' Audit, Compliance and Related Party Transactions Committee has the information necessary to perform its duties relating to the supervision of the Internal Control System including Internal Control over Financial Reporting (ICFR).

Specifically, the Audit, Compliance and Related Party Transactions Committee has performed the following Internal Control over Financial Reporting (ICFR) supervision activities, among others, during the fiscal year:

- Oversee the preparation of the Group's annual accounts and the periodic quarterly and half-yearly financial information that the Board of Directors must provide to the capital markets and to the related regulators. Further oversee the compliance with legal requirements and the proper application of generally accepted accounting principles in the preparation of the financial statements.
- As part of its work supervising the Internal Audit department, it has approved the annual audit plan and the IA budget that underpins the internal and external human and material resources of the department.
- It has analyzed the External Auditors' audit plan, which includes the audit objectives based on the assessment of financial reporting risks, as well as the main areas of interest or significant transactions subject to the audit during the fiscal year.
- Together with the external auditors and Internal Audit, it has reviewed any internal control weaknesses identified in the course of the various audits and review tasks.

The Internal Control department and the ICFR team report on the overall Internal Control system and non-ICFR and ICFR specific content to the Audit, Compliance and Related Party Transactions Committee after completion of the Initial Assessment and Final Assessment.


SIEMENS GAMESA Group has an Internal Audit department whose powers include supporting the Audit, Compliance and Related Party Transaction Committee, among others, in its work of supervising the internal control system. The SIEMENS GAMESA Chief Audit Executive functionally reports to the Audit, Compliance and Related Party Transaction Committee and disciplinarily to the SIEMENS GAMESA Group CEO. This reporting relationship is intended to promote the independence needed to fulfill its responsibilities, comprehensive audit coverage and appropriate coordination with other activities of management and SIEMENS GAMESA Groups independent External Auditor.

In order to enable this supervision of the internal control system, the Internal Audit department responds to the requirements of the Audit, Compliance and Related Party Transaction Committee in the performance of its duties, participating regularly and whenever required in the meetings of the Board of Directors' Audit, Compliance and Related Party Transactions Committee.

The audit function provides assurance to the Audit, Compliance and Related Party Transactions Committee on the worldwide business operations and processes of SIEMENS GAMESA Group, by independently and objectively evaluating and reporting on SIEMENS GAMSEA Group's effectiveness of risk management and internal control systems, and the adherence to SIEMENS GAMSEA Group's compliance policies in a systematic and regular manner.

The annual internal audit plan presented and approved by the Audit, Compliance and Related Party Transaction Committee includes the performance of control reviews (including ICFRs) and establishing review priorities based on the identified risks.

The Internal Audit department has performed audits for certain significant risks in accordance with its Annual Audit Plan 2020 and has provided the corresponding reports where appropriate to the Executive Committee and to the Audit, Compliance and Related Party Transactions Committee.



Internal risk
management and
control systems
related to the process
of publishing financial
information (ICFR)

- F.5.2. If there is a procedure by which the account auditor (in accordance with the contents of the Normas Técnicas de Auditoría (NTA) - "Auditing Standards"), internal auditor and other experts may communicate with senior management and the audit committee or senior managers of the company regarding significant weakness in internal control identified during the review of the annual accounts or any others they have been assigned. Additionally, state whether an action plan is available for correcting or mitigating any weaknesses found.

The Audit, Compliance and Related Party Transactions Committee holds regular meetings with the external auditors, the CFO, the Internal Control and ERM/ICFR departments in order to discuss any relevant aspect and, if applicable, examine significant internal control deficiencies that have been identified.

SIEMENS GAMESA Group's annual accounts and the periodic financial information that the Board of Directors must supply to the markets and to the supervisory bodies thereof are reviewed at the Audit, Compliance and Related Party Transaction Committee meetings with the statutory auditors, monitoring compliance with legal requirements and the proper application of generally accepted accounting principles in the preparation thereof.

Remediation actions have been defined and are being implemented for Internal Control deficiencies identified during the year according to the mitigation plan.

F.6. Other relevant information

There is no other material and relevant information with respect to the Internal Control system including Internal Control over Financial Reporting (ICFR) that has not been included in this report.

F.7. External auditor's report

Report from:

- F.7.1. If the ICFR information submitted to the markets has been subject to review by the external auditor, in which case the entity shall include its report as an attachment. If not, reasons why should be given.

SIEMENS GAMESA Group has requested the external auditor to issue a report reviewing the information relating to the ICFR included in this section F of the Annual Corporate Governance Report for fiscal year 2020.

G. EXTENT OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Specify the company's level of compliance with recommendations from the Unified Code of Good Governance.

In the event that a recommendation is not followed or only partially followed, a detailed explanation should be included explaining the reasons in such a manner that shareholders, investors and the market in general have enough information to judge the company's actions. General explanations are not acceptable.

Remarks

According to Circular 1/2020, SIEMENS GAMESA has no obligation to report under the amended Code of Good Governance for Listed Companies. However, faithful to its commitment with the continued improvement in corporate governance, the Company has already updated to a large extent its regulations and policies to adhere to the amended Recommendations.

In this regard, although not being obliged to do so as SIEMENS GAMESA's fiscal year ended on September 30, 2020, the Recommendations included in this Section G are those incorporated by the CNMV in its revised version of the Good Governance Code published on June 26, 2020, as explained in deeper detail in Section H.2 of this report.


We are proud to be one of the first companies in Spain that reports under these standards. Having said this, the Company will continue implementing these Recommendations and expects, for example, to have in place a Policy for the communication of economic-financial, non-financial and corporate information before our General Meeting of Shareholders.

- The bylaws of listed companies should not place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by means of share purchases on the market.**

Complies X

Explanation

- When the listed company is controlled, pursuant to the meaning established in Article 42 of the Commercial Code, by another listed or non-listed entity, and has, directly or through its subsidiaries, business relationships with that entity or any of its subsidiaries (other than those of the listed company) or carries out activities related to the activities of any of them, this is reported publicly, with specific information about:**



Extent of compliance
with corporate
governance
recommendations

a) The respective areas of activity and possible business relationships between, on the one hand, the listed company or its subsidiaries and, on the other, the parent company or its subsidiaries.

b) The mechanisms established to resolve any conflicts of interest that may arise.

Complies X

Complies partially

Explanation

Not Applicable

3. During the annual general shareholders' meeting the chairman of the board should verbally inform shareholders in sufficient detail of the most relevant aspects of the company's corporate governance, supplementing the written information circulated in the annual corporate governance report. In particular:

a) Changes taking place since the previous annual general shareholders' meeting.

b) The specific reasons for the company not following a given Good Governance Code recommendation, and any alternative procedures followed in its stead.

Complies X

Complies partially

Explanation

4. The company should define and promote a policy for communication and contact with shareholders and institutional investors within the framework of their involvement in the company, as well as with proxy advisors, that complies in full with the rules on market abuse and gives equal treatment to shareholders who are in the same position. The company should make said policy public through its website, including information regarding the way in which it has been implemented and the parties involved or those responsible its implementation.

Further, without prejudice to the legal obligations of disclosure of inside information and other regulated information, the company should also have a general policy for the communication of economic-financial, non-financial and corporate information through the channels it considers appropriate (media, social media or other channels) that helps maximise the dissemination and quality of the information available to the market, investors and other stakeholders.

Complies

Complies partially X

Explanation

Explanation:

A General Policy for the Communication of Economic-financial, Non-financial and Corporate Information has not been approved yet by the time of approval of this Annual Corporate Governance Report. The Company expects to have this Policy in place by the time of our General Meeting of Shareholders.

5. The board of directors should not make a proposal to the general shareholders' meeting for the delegation of powers to issue shares or convertible securities without preemptive subscription rights for an amount exceeding 20% of capital at the time of such delegation.

When a board approves the issuance of shares or convertible securities without preemptive subscription rights, the company should immediately post a report on its website explaining the exclusion as envisaged in company legislation.

Complies X

Complies partially

Explanation

6. Listed companies drawing up the following reports on a voluntary or compulsory basis should publish them on their website well in advance of the annual general shareholders' meeting, even if their distribution is not obligatory:

a) Report on auditor independence.

b) Reports of the operation of the audit committee and the nomination and remuneration committee.

c) Audit committee report on related transactions.

Complies X

Complies partially

Explanation

7. The company should broadcast its general shareholders' meetings live on the corporate website.

The company should have mechanisms that allow the delegation and exercise of votes by electronic means and even, in the case of large-cap companies and, to the extent that it is proportionate, attendance and active participation in the general shareholders' meeting.

Complies X

Explanation

Explanation:

The Company amended its Regulations for the General Meeting of Shareholders to allow the shareholders to attend the Annual General Meeting of Shareholders remotely. Likewise, the Rules for conducting the General Meeting of Shareholders included the same provision. Moreover, the announcement to the call of the 2020 Annual General Meeting of Shareholders contained such provision, however, it was not finally required, in compliance with the proportionality criteria as included in this Recommendation.

8. The audit committee should strive to ensure that the financial statements that the board of directors presents to the general shareholders' meeting are drawn up in accordance to accounting legislation. And in those cases where the auditors includes any qualification in its report, the chairman of the audit committee should give a clear explanation at the general meeting of their opinion regarding the scope and content, making a summary of that opinion available to the shareholders at the time of the publication of the notice of the meeting, along with the rest of proposals and reports of the board.

Complies X

Complies partially

Explanation

9. The company should disclose its conditions and procedures for admitting share ownership, the right to attend general shareholders' meetings and the exercise or delegation of voting rights, and display them permanently on its website.

Such conditions and procedures should encourage shareholders to attend and exercise their rights and be applied in a non-discriminatory manner.

Complies X

Complies partially

Explanation

10. When an accredited shareholder exercises the right to supplement the agenda or submit new proposals prior to the general shareholders' meeting, the company should:

a) Immediately disclose the supplementary items and new proposals.

b) Disclose the model of attendance card or proxy appointment or remote voting form duly modified so that new agenda items and alternative proposals can be voted on in the same terms as those submitted by the board of directors.

c) Put all these items or alternative proposals to the vote applying the same voting rules as for those submitted by the board of directors, with particular regard to presumptions or deductions about the direction of votes.

d) After the general shareholders' meeting, disclose the breakdown of votes on such supplementary items or alternative proposals.

Complies

Complies partially X


Explanation

Not Applicable

Explanation:

The Company's Internal Regulations complies with sections a), b) and d) of the Recommendation.

Regarding section c), article 31.8 of the Regulations for the General Meeting of Shareholders of SIEMENS GAMESA, which states the system for determining the meaning of the votes establishes a different deduction



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system for voting proposals from the Board of Directors regarding items included on the agenda than for voting on proposals for resolutions regarding matters not contemplated in the agenda or formulated by the Board of Directors.

11. In the event that a company plans to pay for attendance at the general shareholders' meeting, it should first establish a general, long-term policy in this respect.

Complies Complies partially Explanation Not Applicable X

12. The board of directors should perform its duties with unity of purpose and independent judgement, according the same treatment to all shareholders in the same position. It should be guided at all times by the company's best interest, understood as the creation of a profitable business that promotes its sustainable success over time, while maximising its economic value.

In pursuing the corporate interest, it should not only abide by laws and regulations and conduct itself according to principles of good faith, ethics and respect for commonly accepted customs and good practices, but also strive to reconcile its own interests with the legitimate interests of its employees, suppliers, clients and other stakeholders, as well as with the impact of its activities on the broader community and the natural environment.

Complies X Complies partially Explanation

13. The board of directors should have an optimal size to promote its efficient functioning and maximise participation. The recommended range is accordingly between five and fifteen members.

Complies X Explanation

14. The board of directors should approve a policy aimed at promoting an appropriate composition of the board that:

a) is concrete and verifiable;

b) ensures that appointment or re-election proposals are based on a prior analysis of the competences required by the board; and

c) favours diversity of knowledge, experience, age and gender. Therefore, measures that encourage the company to have a significant number of female senior managers are considered to favour gender diversity.

The results of the prior analysis of competences required by the board should be written up in the nomination committee's explanatory report, to be published when the general shareholders' meeting is convened that will ratify the appointment and re-election of each director.

The nomination committee should run an annual check on compliance with this policy and set out its findings in the annual corporate governance report.

Complies X Complies partially Explanation

15. Proprietary and independent directors should constitute an ample majority on the board of directors, while the number of executive directors should be the minimum practical bearing in mind the complexity of the corporate group and the ownership interests they control.

Further, the number of female directors should account for at least 40% of the members of the board of directors before the end of 2022 and thereafter, and not less than 30% previous to that.


Complies X Complies partially Explanation

16. The percentage of proprietary directors out of all non-executive directors should be no greater than the proportion between the ownership stake of the shareholders they represent and the remainder of the company's capital.

This criterion may be relaxed:

a) In large-cap companies where few or no equity stakes attain the legal threshold for significant shareholdings.

b) In companies with a plurality of shareholders represented on the board but not otherwise related.



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Complies X

Explanation

17. The number of independent directors should be at least half of the total number of directors.

However, when the company is not highly capitalised or is highly capitalised but has one or more shareholders acting in concert and controlling more than 30% of the share capital, the minimum number of independent directors should be at least one third of the total.

Complies X

Explanation

18. Companies should disclose the following director particulars on their web-sites and keep them regularly updated:

a) Background and professional experience.

b) Directorships held in other companies, listed or otherwise, and other paid activities they engage in, of whatever nature.

c) Statement of the director class to which they belong, in the case of proprietary directors indicating the shareholder they represent or have links with.

d) Date of their first appointment as a board member and subsequent re-elections.

e) Shares held in the company, and any options on the same.

Complies X

Complies partially Explanation

19. Following verification by the nomination committee, the annual corporate governance report should disclose the reasons for the appointment of proprietary directors at the urging of shareholders controlling less than 3% of capital; and explain any rejection of a formal request for a board place from shareholders whose equity stake is equal to or greater than that of others applying successfully for a proprietary directorship.

Complies Complies partially Explanation

Not Applicable X

20. Proprietary directors should resign when the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary directors, the latter number should be reduced accordingly.

Complies X

Complies partially Explanation Not Applicable

21. The board of directors should not propose the removal of independent directors before the expiry of their tenure as mandated by the bylaws, except where they find just cause, based on a proposal from the nomination committee. In particular, just cause will be presumed when directors take up new posts or responsibilities that prevent them allocating sufficient time to the work of a board member, or are in breach of their fiduciary duties or come under one of the disqualifying grounds for classification as independent enumerated in the applicable legislation.


The removal of independent directors may also be proposed when a takeover bid, merger or similar corporate transaction alters the company's capital structure, provided the changes in board membership ensue from the proportionality criterion set out in recommendation 16.

Complies X

Explanation

22. Companies should establish rules obliging directors to disclose any circumstance that might harm the organisation's name or reputation, related or not to their actions within the company, and tendering their resignation as the case may be, and, in particular, to inform the board of any criminal charges brought against them and the progress of any subsequent trial.

When the board is informed or becomes aware of any of the situations mentioned in the previous paragraph, the board of directors should examine the case as soon as possible and, attending to the particular circumstances, decide, based on a report from the nomination and remuneration committee, whether or not to adopt any measures such as opening of an internal investigation, calling on the director to resign or proposing his or her dismissal. The board should give a reasoned account of all such determinations in the annual corporate governance report, unless there are special circumstances that justify otherwise, which must be recorded in the minutes. This is without prejudice



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to the information that the company must disclose, if appropriate, at the time it adopts the corresponding measures.

Complies X

Complies partially Explanation

23. Directors should express their clear opposition when they feel a proposal submitted for the board's approval might damage the corporate interest. In particular, independents and other directors not subject to potential conflicts of interest should strenuously challenge any decision that could harm the interests of shareholders lacking board representation.

When the board makes material or reiterated decisions about which a director has expressed serious reservations, then he or she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next recommendation.

The terms of this recommendation also apply to the secretary of the board, even if he or she is not a director.

Complies X

Complies partially Explanation Not Applicable

24. Directors who give up their position before their tenure expires, through resignation or resolution of the general meeting, should state the reasons for this decision, or in the case of non-executive directors, their opinion of the reasons for the general meeting resolution, in a letter to be sent to all members of the board.

This should all be reported in the annual corporate governance report, and if it is relevant for investors, the company should publish an announcement of the departure as rapidly as possible, with sufficient reference to the reasons or circumstances provided by the director.

Complies X

Complies partially Explanation Not Applicable

25. The nomination committee should ensure that non-executive directors have sufficient time available to discharge their responsibilities effectively.

The board of directors' regulations should lay down the maximum number of company boards on which directors can serve.

Complies X

Complies partially Explanation

26. The board should meet with the necessary frequency to properly perform its functions, eight times a year at least, in accordance with a calendar and agendas set at the start of the year, to which each director may propose the addition of initially unscheduled items.

Complies X

Complies partially Explanation

27. Director absences should be kept to a strict minimum and quantified in the annual corporate governance report. In the event of absence, directors should delegate their powers of representation with the appropriate instructions.

Complies

Complies partially X

Explanation

Explanation:


According to section C.1.26, the percentage of attendance over the total number of votes during the fiscal year 2020 amounted to 88.73% (244 attendances over a total possible of 275, in the 25 meetings of the Board held during the fiscal year). In fiscal year 2020 there were 32 absences of directors, being given proxy with instructions in eight of them.

28. When directors or the secretary express concerns about some proposal or, in the case of directors, about the company's performance, and such concerns are not resolved at the meeting, they should be recorded in the minute book if the person expressing them so requests.

Complies X

Complies partially Explanation Not Applicable

29. The company should provide suitable channels for directors to obtain the advice they need to carry out their duties, extending if necessary to external assistance at the company's expense.



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Complies X

Complies partially Explanation

30. Regardless of the knowledge directors must possess to carry out their duties, they should also be offered refresher programmes when circumstances so advise.

Complies X

Explanation Not Applicable

31. The agendas of board meetings should clearly indicate on which points directors must arrive at a decision, so they can study the matter beforehand or gather together the material they need.

For reasons of urgency, the chairman may wish to present decisions or resolutions for board approval that were not on the meeting agenda. In such exceptional circumstances, their inclusion will require the express prior consent, duly minuted, of the majority of directors present.

Complies X

Complies partially Explanation

32. Directors should be regularly informed of movements in share ownership and of the views of major shareholders, investors and rating agencies on the company and its group.

Complies X

Complies partially Explanation

33. The chairman, as the person charged with the efficient functioning of the board of directors, in addition to the functions assigned by law and the company's bylaws, should prepare and submit to the board a schedule of meeting dates and agendas; organise and coordinate regular evaluations of the board and, where appropriate, the company's chief executive officer; exercise leadership of the board and be accountable for its proper functioning; ensure that sufficient time is given to the discussion of strategic issues, and approve and review refresher courses for each director, when circumstances so advise.

Complies X

Complies partially Explanation

34. When a lead independent director has been appointed, the bylaws or board of directors regulations should grant him or her the following powers over and above those conferred by law: chair the board of directors in the absence of the chairman or vice chairmen give voice to the concerns of non-executive directors; maintain contacts with investors and shareholders to hear their views and develop a balanced understanding of their concerns, especially those to do with the company's corporate governance; and coordinate the chairman's succession plan.

Complies X

Complies partially Explanation Not Applicable

35. The board secretary should strive to ensure that the board's actions and decisions are informed by the governance recommendations of the Good Governance Code of relevance to the company.

Complies X

Explanation

36. The board in full should conduct an annual evaluation, adopting, where necessary, an action plan to correct weakness detected in:

a) The quality and efficiency of the board's operation.

b) The performance and membership of its committees.

c) The diversity of board membership and competences.


d) The performance of the chairman of the board of directors and the company's chief executive.

e) The performance and contribution of individual directors, with particular attention to the chairmen of board committees.

The evaluation of board committees should start from the reports they send the board of directors, while that of the board itself should start from the report of the nomination committee.

Every three years, the board of directors should engage an external facilitator to aid in the evaluation process.

Any business dealings that the facilitator or members of its corporate group maintain with the company or members of its corporate group should be detailed in the annual corporate governance report.



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The process followed and areas evaluated should be detailed in the annual corporate governance report.

Complies

Complies partially X

Explanation **Explanation:**

The evaluation of the current CEO was excluded this year due to his recent appointment on June 17, 2020.

37. When there is an executive committee, there should be at least two non-executive members, at least one of whom should be independent; and its secretary should be the secretary of the board of directors.

Complies X

Complies partially Explanation Not Applicable

38. The board should be kept fully informed of the business transacted and decisions made by the executive committee. To this end, all board members should receive a copy of the committee's minutes.

Complies X

Complies partially Explanation Not Applicable

39. All members of the audit committee, particularly its chairman, should be appointed with regard to their knowledge and experience in accounting, auditing and risk management matters, both financial and non-financial.

Complies X

Complies partially Explanation

40. Listed companies should have a unit in charge of the internal audit function, under the supervision of the audit committee, to monitor the effectiveness of internal reporting and control systems. This unit should report functionally to the board's non-executive chairman or the chairman of the audit committee.

Complies X

Complies partially Explanation

41. The head of the unit handling the internal audit function should present an annual work programme to the audit committee, for approval by this committee or the board, inform it directly of any incidents or scope limitations arising during its implementation, the results and monitoring of its recommendations, and submit an activities report at the end of each year.

Complies X

Complies partially Explanation Not Applicable


42. The audit committee should have the following functions over and above those legally assigned:

1. With respect to internal control and reporting systems:

a) Monitor and evaluate the preparation process and the integrity of the financial and non-financial information, as well as the control and management systems for financial and non-financial risks related to the company and, where appropriate, to the group – including operating, technological, legal, social, environmental, political and reputational risks or those related to corruption – reviewing compliance with regulatory requirements, the accurate demarcation of the consolidation perimeter, and the correct application of accounting principles.

b) Monitor the independence of the unit handling the internal audit function; propose the selection, appointment and removal of the head of the internal audit service; propose the service's budget; approve or make a proposal for approval to the board of the priorities and annual work programme of the internal audit unit, ensuring that it focuses primarily on the main risks the company is exposed to (including reputational risk); receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.

c) Establish and supervise a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report irregularities of potential significance, including financial and accounting irregularities, or those of any other nature, related to the company, that they notice within the company or its group. This mechanism must guarantee confidentiality and enable communications to be made anonymously, respecting the rights of both the complainant and the accused party.



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d) In general, ensure that the internal control policies and systems established are applied effectively in practice.

2. With regard to the external auditor:

a) Investigate the issues giving rise to the resignation of the external auditor, should this come about.

b) Ensure that the remuneration of the external auditor does not compromise its quality or independence.

c) Ensure that the company notifies any change of external auditor through the CNMV, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.

d) Ensure that the external auditor has a yearly meeting with the board in full to inform it of the work undertaken and developments in the company's risk and accounting positions.

e) Ensure that the company and the external auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and other requirements concerning auditor independence.

Complies X

Complies partially

Explanation

43. The audit committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior officer

Complies X

Complies partially

Explanation

44. The audit committee should be informed of any fundamental changes or corporate transactions the company is planning, so the committee can analyse the operation and report to the board beforehand on its economic conditions and accounting impact and, when applicable, the exchange ratio proposed.

Complies X

Complies partially

Explanation

Not Applicable

45. Risk control and management policy should identify or establish at least:

a) The different types of financial and non-financial risk the company is exposed to (including operational, technological, financial, legal, social, environmental, political and reputational risks, and risks relating to corruption), with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks.

b) A risk control and management model based on different levels, of which a specialised risk committee will form part when sector regulations provide or the company deems it appropriate.

c) The level of risk that the company considers acceptable.

d) The measures in place to mitigate the impact of identified risk events should they occur.

e) The internal control and reporting systems to be used to control and manage the above risks, including contingent liabilities and off-balance-sheet risks.

Complies X


Complies partially

Explanation

46. Companies should establish a risk control and management function in the charge of one of the company's internal department or units and under the direct supervision of the audit committee or some other dedicated board committee. This function should be expressly charged with the following responsibilities:

a) Ensure that risk control and management systems are functioning correctly and, specifically, that major risks the company is exposed to are correctly identified, managed and quantified.

b) Participate actively in the preparation of risk strategies and in key decisions about their management.



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reports; and provide report-backs on their activities and work at the first board plenary following each committee meeting.

d) They may engage external advice, when they feel it necessary for the discharge of their functions.

e) Meeting proceedings should be minuted and a copy made available to all board members.

Complies X

Complies partially

Explanation

Not Applicable

53. The task of supervising compliance with the policies and rules of the company in the environmental, social and corporate governance areas, and internal rules of conduct, should be assigned to one board committee or split between several, which could be the audit committee, the nomination committee, a committee specialised in sustainability or corporate social responsibility, or a dedicated committee established by the board under its powers of self-organisation. Such a committee should be made up solely of non-executive directors, the majority being independent and specifically assigned the following minimum functions.

Complies X

Complies partially

Explanation

54. The minimum functions referred to in the previous recommendation are as follows:

a) Monitor compliance with the company's internal codes of conduct and corporate governance rules, and ensure that the corporate culture is aligned with its purpose and values.

b) Monitor the implementation of the general policy regarding the disclosure of economic-financial, non-financial and corporate information, as well as communication with shareholders and investors, proxy advisors and other stakeholders. Similarly, the way in which the entity communicates and relates with small and medium-sized shareholders should be monitored.

c) Periodically evaluate the effectiveness of the company's corporate governance system and environmental and social policy, to confirm that it is fulfilling its mission to promote the corporate interest and catering, as appropriate, to the legitimate interests of remaining stakeholders.

d) Ensure the company's environmental and social practices are in accordance with the established strategy and policy.

e) Monitor and evaluate the company's interaction with its stakeholder groups.

Complies X

Complies partially

Explanation

55. Environmental and social sustainability policies should identify and include at least:

a) The principles, commitments, objectives and strategy regarding shareholders, employees, clients, suppliers, social welfare issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of corruption and other illegal conducts.

b) The methods or systems for monitoring compliance with policies, associated risks and their management.

c) The mechanisms for supervising non-financial risk, including that related to ethical aspects and business conduct.

d) Channels for stakeholder communication, participation and dialogue.

e) Responsible communication practices that prevent the manipulation of information and protect the company's honour and integrity

Complies X

Complies partially

Explanation

56. Director remuneration should be sufficient to attract individuals with the desired profile and compensate the commitment, abilities and responsibility that the post demands, but not so high as to compromise the independent judgement of non-executive directors.

Complies X

Explanation

57. Variable remuneration linked to the company and the director's performance, the award of shares, options or any other right to acquire shares or to be remunerated on the basis of share price movements, and membership of long-term savings schemes such as pension plans, retirement schemes and other savings schemes, should be confined to executive directors.

The company may consider the share-based remuneration of non-executive directors provided they retain such shares until the end of their mandate. This condition, however, will not apply to shares that the director must dispose of to defray costs related to their acquisition.

Complies X

Complies partially Explanation

58. In the case of variable awards, remuneration policies should include limits and technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the company's sector, or circumstances of that kind.

And, in particular, variable remuneration items should meet the following conditions:

a) Be subject to predetermined and measurable performance criteria that factor the risk assumed to obtain a given outcome.

b) Promote the long-term sustainability of the company and include non-financial criteria that are relevant for the company's long-term value creation, such as compliance with its internal rules and procedures and its risk control and management policies.

c) Be focused on achieving a balance between the delivery of short, medium and long-term objectives, such that performance-related pay rewards ongoing achievement, maintained over sufficient time to appreciate its contribution to long-term value creation. This will ensure that performance measurement is not based solely on one-off, occasional or extraordinary events.

Complies X

Complies partially Explanation Not Applicable

59. The payment of the variable components of remuneration is subject to sufficient verification that previously established performance, or other, conditions have been effectively met. Entities should include in their annual directors' remuneration report the criteria relating to the time required and methods for such verification, depending on the nature and characteristics of each variable component.

Additionally, entities should consider establishing a reduction clause ('malus') based on deferral for a sufficient period of the payment of part of the variable components that implies total or partial loss of this remuneration in the event that prior to the time of payment an event occurs that makes this advisable.

Complies X

Complies partially Explanation Not Applicable

60. Remuneration linked to company earnings should bear in mind any qualifications stated in the external auditor's report that reduce their amount.

Complies Complies partially Explanation

Not Applicable X


Explanation:

As informed in section C.1.33 the auditors' report on the financial statements for fiscal year 2020 did not contain a qualified opinion or reservations and therefore the present recommendation 60 is not applicable.

61. A major part of executive directors' variable remuneration should be linked to the award of shares or financial instruments whose value is linked to the share price.

Complies X

Complies partially Explanation Not Applicable



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62. Following the award of shares, options or financial instruments corresponding to the remuneration schemes, executive directors should not be able to transfer their ownership or exercise them until a period of at least three years has elapsed.

Except for the case in which the director maintains, at the time of the transfer or exercise, a net economic exposure to the variation in the price of the shares for a market value equivalent to an amount of at least twice his or her fixed annual remuneration through the ownership of shares, options or other financial instruments.

The foregoing shall not apply to the shares that the director needs to dispose of to meet the costs related to their acquisition or, upon favourable assessment of the nomination and remuneration committee to address an extraordinary situation.

Complies X Complies partially Explanation Not Applicable

63. Contractual arrangements should include provisions that permit the company to reclaim variable components of remuneration when payment was out of step with the director's actual performance or based on data subsequently found to be misstated.

Complies X Complies partially Explanation Not Applicable

64. Termination payments should not exceed a fixed amount equivalent to two years of the director's total annual remuneration and should not be paid until the company confirms that he or she has met the predetermined performance criteria.

For the purposes of this recommendation, payments for contractual termination include any payments whose accrual or payment obligation arises as a consequence of or on the occasion of the termination of the contractual relationship that linked the director with the company, including previously unconsolidated amounts for long-term savings schemes and the amounts paid under post-contractual non-compete agreements.

Complies X Complies partially Explanation Not Applicable

H. FURTHER INFORMATION OF INTEREST

1. If there is any aspect regarding corporate governance in the company or other companies in the group that have not been included in other sections of this report, but which are necessary in order to obtain a more complete and comprehensible picture of the structure and governance practices in the company or group, describe them briefly below.
2. This section may also be used to provide any other information, explanation or clarification relating to previous sections of the report, so long as it is relevant and not redundant.

Specifically, state whether the company is subject to any corporate governance legislation other than that prevailing in Spain and, if so, include any information required under this legislation that differs from the data requested in this report.

SIEMENS GAMESA is committed with the continued improvement and the maintenance of a state of the art Corporate Governance framework, and so we are proud to be one of the first companies in Spain that reports under the reviewed Recommendations of the Good Governance Code for Listed Companies which last revision was approved by the CNMV on June 26,2020.

Later, on October 6, 2020, the CNMV approved its Circular 1/2020 that amends the Circular 5/2013 of June 12, which establishes the templates for the Annual Corporate Governance Report for listed companies. This Circular, which is in force since October 13, 2020 (the following day of its publication on the Spanish Official Gazette), establishes that the new approved Annual Corporate Governance Report template shall apply, according to its final provision, to the Annual Corporate Governance Reports of listed companies corresponding to fiscal years ended as from December 31, 2020 (included), so not applicable to SIEMENS GAMESA which fiscal year finished on September 30.

Furthermore, it is highlighted that the referred Circular 1/2020 has a transitory provision according to which companies can consider the new Recommendations as “complies” if for the first six months of year 2020 they were fulfilled according to its previous version, and before the end of their fiscal year 2020 they have amended the Regulations and Policies as required in furtherance with the new Recommendations.

SIEMENS GAMESA’s fiscal year 2020 finished on September 30, so before the publication of the Circular 1/2020 and so being unable to apply the temporary provision as the companies which fiscal year is the calendar year will do, but as highlighted above, the Company is focused on establishing a Corporate Governance framework which is at the forefront of the Spanish listed companies and so SIEMENS GAMESA has already amended to a large extent its internal rules before the approval of this Annual Corporate Governance Report 2020 and such content is reported along the corresponding sections.

Finally it is stated that by the date of approval of this Annual Corporate Governance Report by the Board of Directors of SIEMENS GAMESA and its submission to the CNMV, the new official updated version, according to the aforementioned Circular 1/2020, of the statistics template, to be available at the CNMV’s virtual office on-line, is not published yet., Therefore, the statistic report to be submitted to the CNMV has been completed using the version available on its virtual office (according to Circular 2/2018), and so discrepancies with recommendations in Section G may arise.

3. The company may also state whether it voluntarily complies with other ethical or best practice codes, whether international, sector-based, or other. In such a case, name the code in question and the date the company began following it. It should be specifically mentioned that the company adheres to the Code of Good Tax Practices of 20 July, 2010

SIEMENS GAMESA has adhered voluntarily to various codes of ethics or codes of practice, these being the following:

a) "United Nations Global Compact", which is promoted by the United Nations and its goal is the commitment and support to promote the ten principles of human and labor rights, environmental protection and the fight against corruption. SIEMENS GAMESA voluntarily acceded, as of February 2, 2005, and annually publishes a Progress Report (COP) of review of compliance with these principles.

b) "Global Reporting Initiative (GRI)" which is promoted by the NGO Global Reporting Initiative. Its goal is to create an environment for the exchange of transparent and reliable information on sustainability through the development of an application framework common to all kinds of organizations. SIEMENS GAMESA acceded voluntarily as of December 14, 2005.

c) "Caring for Climate: The business leadership platform", promoted as an initiative of the UN Global Compact. Its goal is the involvement of businesses and governments in taking action on climate change, energy efficiency, reduction of emissions of greenhouse gases (GHGs) and positive collaboration with other public and private institutions. SIEMENS GAMESA acceded voluntarily as of June 18, 2007.

d) "Women empowerment principles", promoted by UN Women / UN Global Compact of the United Nations and aiming to build stronger economies, establish a more stable and just society, achieve compliance development, sustainability and human rights and improve the quality of life of women, men, families and communities. SIEMENS GAMESA acceded voluntarily as of December 22, 2010.

e) "European Diversity Charter", is an initiative by the European Commission to foster diversity and inclusion as well as to develop and implement related policies. By signing a charter, SIEMENS GAMESA voluntarily commits to promote diversity and equal opportunities in the workplace, regardless of, for example, age, disability, gender, race or ethnic origin, religion or sexual orientation, pledges to respect the current equality and anti-discrimination legislation, and assumes the basic guideline principles established in the declaration. SIEMENS GAMESA acceded voluntarily to the "Diversity Charter" in Spain - one of 24 country charters in Europe - as of November 3, 2014.

f) "Paris Pledge for Action", an inclusive initiative from the French presidency of the COP21 managed by the University of Cambridge Institute for Sustainability Leadership (CISL) that invites companies, regions, cities and investors to join together and take action to further the results of the ONU's Paris Agreement on Climate Change. Over 400 companies, 150 cities and regions, and 120 investors have currently joined this initiative. SIEMENS GAMESA voluntarily adhered to this initiative on December 4, 2015.

g) "Science Based Targets" (SBTi), a joint international initiative of the Carbon Disclosure Project, the United Nations Global Compact, the World Resources Institute, the World Wide Fund for Nature and the We Mean Business coalition, with the aim of reducing carbon emissions in a measurable manner and to a sufficient level to meet the objective of not exceeding 2 degrees Celsius of global warming established in the Paris Climate Agreement. SIEMENS GAMESA voluntarily joined this initiative on September 12, 2018. In August 2020, the Science Based Targets initiative verified that SIEMENS GAMESA's emission reduction strategy is aligned with what climate science says is required to meet the 1.5°C trajectory.

h) "Global Framework Agreement on Social Responsibility", driven by the global union federation IndustriAll, promotes best labor, social and environmental practices. By signing, Siemens Gamesa pledged to adhere to the United Nation's core human rights as well as fundamental labor conventions concerning freedom of association and collective bargaining, forced labor, child labor and exploitation and discrimination, treat unions positively and commit to constructively cooperate with workers and their representatives, as well as to promote the implementation of this agreement among its suppliers, subcontractors and business partners. The first Global Framework Agreement was signed by former Gamesa in 2015. The new agreement was signed by IndustriAll, Spanish trade unions and Siemens Gamesa representatives on November 26, 2019, and remains the only one of its kind in the renewable energy industry.

i) “Business Ambition for 1.5C – Our Only Future”, a campaign led by the Science Based Targets initiative in partnership with the UN Global Compact and the We Mean Business coalition, calling on companies to commit to ambitious emissions reduction targets through the Science Based Targets initiative (SBTi) to hold off some of the worst climate impacts, and avoid irreversible damage to our societies, economies and the natural world. SIEMENS GAMESA reaffirmed its commitment to meet the United Nation’s climate targets by signing the pledge during COP25 in Madrid on December 11, 2019.

j) “Target Gender Equality” is a gender equality accelerator program for participating companies of the UN Global Compact. The program is to help companies setting and reaching ambitious corporate targets for women’s representation and leadership, starting with Board and Executive Management levels. Companies participating in Target Gender Equality can deepen the implementation of the UN’s Women’s Empowerment Principles and strengthen their contribution to Sustainable Development Goal 5.5, which calls for equal women representation, participation and leadership in business globally. SIEMENS GAMESA voluntarily joined the program on July 24, 2020.

In relation to the Good Tax Practices Code of July 20, 2010, it is stated that the Board of Directors of SIEMENS GAMESA approved its adherence thereto at its meeting of 22 February 2017, and on March 21, 2017 the Company was officially included in the list of companies adhering to the Code of Good Tax Practices. Furthermore, in compliance with the provisions of the Annex to said Code and of the Proposal for reinforcing good fiscal transparency practices among companies adhering to the Code of Good Tax Practices, on July 9, 2020 SIEMENS GAMESA voluntarily chose to submit to the Spanish Tax Authority (*Agencia Estatal de Administración Tributaria*), as part of its relationship of cooperation, the “Annual Tax Transparency Report” for the fiscal year running between October 1, 2018 and September 30, 2019. In the report, among others, the Company has informed that, in February 2020, AENOR (well-known independent certifying firm) has certified SIEMENS GAMESA’s tax management system, particularly applicable in the context of the managements systems and tax risks control.

Regarding the “Annual Tax Transparency Report” for the fiscal year running between October 1, 2017 and September 30, 2018 (filed on July 22, 2019), the Company met Spanish Tax Authority representatives on October 16, 2019 in order to analyze its content and in February 2020 the Company received a letter from the latter confirming the suitability of all the information submitted and thanking the willingness, collaboration and transparency of the entity

This Annual Corporate Governance Report was approved by the Board of Directors of the company at the meeting held on November 27, 2020.

State whether any directors voted against or abstained from voting on this report.

Yes

No

Name of director who has not voted for the approval of this report	Reasons (against, abstention, non-attendance)	Explain the reasons

Auditor's report on the "Information related to the Internal Control Over the Financial Reporting (ICFR)" of SIEMENS GAMESA RENEWABLE ENERGY, S.A. for the year-ended 2020



AUDITOR'S REPORT ON INFORMATION RELATING TO THE INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR)

(Translation of a report originally issued in Spanish. in the event of discrepancy,
the Spanish-language version prevails)

To the Directors of SIEMENS GAMESA RENEWABLE ENERGY, S.A.,

At the request of the Board of Siemens Gamesa Renewable Energy, S.A. (parent company) and subsidiaries (the Group), and in accordance with our proposal dated November 10, 2020, we applied certain procedures to the "Information related to the Internal Control Over the Financial Reporting (ICFR)" included in the Annual Corporate Governance Report (Section F, pages 82 a 95) of Siemens Gamesa Renewable Energy, S.A. for the fiscal year 2020, which summarizes the Group's internal control procedures in relation to annual consolidated financial information.

The Board of Directors is responsible for taking appropriate measures to reasonably ensure the implementation, maintenance, supervision, and improvement of a correct internal control system, as well as preparing and establishing the content of all the related accompanying ICFR data.

It is worth noting that, apart from the quality of design and operability of the Group's internal control system as a far as annual consolidated financial information is concerned, it only provides a reasonable, rather than absolute, degree of security regarding its objectives due to the inherent limitations to the internal control system as a whole.

Throughout the course of our audit work on the consolidated financial statements, and in conformity with Technical Auditing Standards, the sole purpose of our evaluation of the Group's internal control system was to establish the scope, nature, and timing of the audit procedures performed on its consolidated financial statements. Therefore, our internal control assessment performed for the audit of the aforementioned consolidated financial statements was not sufficiently extensive to enable us to express a specific opinion on the effectiveness of the internal control over the regulated consolidated annual financial information.

For the purpose of issuing this report, we exclusively applied the specific procedures described below and indicated in the Guidelines on the Auditors' report relating to information on the Internal Control over Financial Reporting on Listed Companies, published by the Spanish National Securities Market Commission on its website, which establishes the work to be performed, the minimum scope thereof and the content of this report. Given that the scope of the abovementioned procedures performed was limited and substantially less than that of an audit carried out in accordance with generally accepted accounting principles, we have not expressed an opinion regarding its efficacy, design, or operational effectiveness regarding the Group's consolidated financial data described in the accompanying ICFR information for the year 2020. Consequently, had we applied additional procedures to those established by the Guidelines mentioned above or had we carried out an audit or a review of the internal control over the regulated annual financial reporting information, other matters have been disclosed which would have been reported to you.

Likewise, since this special engagement does not constitute an audit of the financial statements or a review in accordance with the Spanish Audit Law, we do not express an audit opinion in the terms provided for therein.

The following procedures were applied:

1. Read and understand the information prepared by the Group in relation to the ICFR - which is provided in the Annual Corporate Governance Report disclosure information included in the Managements' Report- and assess whether such information addresses all the required information which will follow the minimum content detailed in section F, relating to the description of the ICFR, as per the IAGC model established by CNMV Circular nº 3/2013 dated June 12, 2013, modified by CNMV Circular nº 7/2015, dated December 22, 2015 and the CNMV Circular nº 2/2018, dated June 12, 2018 (hereinafter, the CNMV Circulars).
2. Make inquiries of personnel in charge of preparing the information described in point 1 above in order to: (i) obtain an understanding of its preparation process; (ii) obtain information making it possible to evaluate whether the terminology employed is in line with reference framework definitions (iii) gather information regarding whether the described control procedures are implemented and functioning within the Group.
3. Review the explanatory documentation supporting the information described in section 1 above, which should basically include everything directly provided to those in charge of preparing the descriptive ICFR information. This documentation includes reports prepared by the Internal Audit Department, senior management, and other internal and external experts in their role supporting the Audit, Compliance and Related Party Transactions Committee.
4. Compare the information contained in section 1 above with the Group's ICFR knowledge obtained as a result of performing the procedures within the framework of auditing the financial statements.
5. Read the minutes of the Board Meetings, Audit, Compliance and Related Party Transactions Committee meetings, and other Group committees in order to evaluate the consistency between issues related to the ICFR and information discussed in section 1.
6. Obtain the representation letter related to the work performed, duly signed by those responsible for preparing and authorizing the information discussed in section 1.

As a result of the procedures applied on the ICFR-related information, no inconsistencies or incidents have come to our attention which might affect it.

This report was prepared exclusively within the framework of the requirements of article 540 of the consolidated text of the Spanish Companies Act and the CNMV Circulars, related to the description of the ICFR in the Corporate Governance Report.

ERNST & YOUNG, S.L.

(signed on the original version in Spanish)

Ana María Prieto González

November 27, 2020